

IMPLEMENTATION OF ACCRUAL BASED ACCOUNTING IN LOCAL GOVERNMENT ENTITIES IN ORDER TO PROVIDE TRANSPARENT AND ACCOUNTABLE INFORMATION

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ABSTRACT

This study aimed to analyze the influence of the human resources competence, the IT quality, APIP support, communication and the leader commitment on the level of accrual-based accounting implementation and its impact to the accountability and transparency of local governments. The instrument used was a questionnaire. The results showed that human resource competence, IT quality, and communication were able to influence the implementation of accrual-based accounting in local government entities, but APIP support was not able. The leader commitment was able to moderate the relationship between human resource competence and the IT quality. The implementation of accrual-based accounting affected the level of accountability. The transparency assessment using an index of the level of information accessibility for local governments in South Sulawesi Province gave an average score of 3.45 on the disclosure of financial statements after implementation. This study has policy implications related to the implementation of accrual-based accounting.

Keywords: Accrual Based Accounting Implementation, Accountability, Transparency, Local Government

INTRODUCTION

Accrual-based Government Accounting Standards recognize income, expenses, assets, debt, and equity in accrual-based and recognize income, expenditure, and financing in reporting on budget execution based on the basis set out in the state revenue expenditure budget/budget. Regional (APBN/APBD) (PP No. 71/2010). The accrual-based accounting system was believed to be able to provide actual and relevant information in decision making. This is in line with the research of Cohen, (Kaimenaki & Zorgios, 2007) that accrual-based accounting was needed because the cash-based accounting system is considered to lack an accurate financial picture. Research resulted from (Tarigan & Nurtanzila, 2013) found that the accrual basis embodies transparency or disclosure of information and is an innovation and a trend in the government sector in various countries and is one of the supporting tools needed in the context of government transparency and accountability (KSAP, 2006). (Beechy, 2007) also found that financial reports on an accrual basis are better for accountability and transparency. Accrual based accounting is believed to provide actual and relevant information in decision making. This is in line with research (Cohen, Kaimenaki & Zorgios, 2007) that the cash-based accounting system is considered to lack an accurate financial picture. One of the concrete efforts to realize transparency and accountability in the management of state finances is the submission of government financial accountability reports that meet the principles on time and are prepared following generally accepted government accounting standards (Darmawati, 2018).

Several studies have been conducted related to the implementation of accrual-based accounting in local government entities, both in Indonesia (Adventana, 2014; Pratiwi, 2015; Marsdenia & Arthaingan, 2016; Erawati & Kurniawan, 2018) and in other countries (Stamatiadis, 2009). The results found were also inconsistent. (Adventana, 2014; Pratiwi, 2015) found that Human Resources had a significant positive effect on the readiness to

implement accrual-based Government Accounting Standards (SAP). The results of the research (Marsdenia & Arthaingan, 2016; Erawati & Kurniawan, 2018) show the opposite results that human resources have no effect on the implementation of accrual-based government accounting standards. The inconsistency of the results of previous studies indicates that there are contingent variables that affect the relationship between these variables.

Based on data collected from IHPS semester 1 2019 from BPK RI, in the last 5 years (2014-2018), LKPD opinions throughout Indonesia have improved. During that period, LKPDs that obtained WTP opinions increased by 35 percentage points, from 47% in 2014 LKPDs to 82% in 2018 LKPDs. Meanwhile, the number of LKPDs that obtained WDP and TMP opinions decreased by 30 points respectively. Percent (from 46% to 16%) and 4 percentage points (from 6% to 2%). Especially for South Sulawesi, the improvement of the LKPD opinion from 2014 before the Accrual Implementation to the 2018 LKPD opinion, 3 years after the Accrual Implementation, has experienced a fairly good improvement in opinion. As many as 48% of the Regional Government LKPD of South Sulawesi experienced an improvement in opinion from TMP to WDP, WDP to WTP and TMP to WTP. This indicates an increase in the quality of Regional Government Financial Reports. In 2018, after 3 years of implementing accrual basis SAP, BPK's opinion was improved. There are 21 provinces/regencies/municipalities in South Sulawesi Province that obtain WTP, and the remaining 4 regions have received an unqualified opinion. For local governments, this shows an improvement in financial reporting opinion in the Regional Government of South Sulawesi Province.

This study also aims to examine the impact of accrual-based accounting implementation. In terms of measuring performance, accrual-based information can provide information about the actual use of economic resources. Therefore, accrual-based accounting is one of the supporting tools needed in the context of government transparency and accountability (KSAP, 2006). Beechy's research (2007) reveals that accrual basis is better for accountability and transparency. (Steccolini, 2004) conducted empirical analysis research aimed at gaining a good understanding of the role of the annual report as a medium of accountability for stakeholders in the context of local government reform in Italy. The result is very dubious about the real role of the annual report as a medium of accountability for local government stakeholders in Italy.

Accountability can be understood as the obligation of the agent to provide accountability, present, report, and disclose all activities and activities that are their responsibility to the principal who has the right and authority to hold this accountable. According to Government Regulation 71/2010, government accountability is the responsibility for managing resources and implementing policies entrusted to reporting entities in achieving the objectives that have been set periodically. Financial management transparency is providing financial information that is open and honest to the public based on the consideration that the public has the right to know openly and thoroughly the government's responsibility for managing the resources entrusted to it and its compliance with laws and regulations. In this study, transparency is measured using an index of the level of information accessibility used by (Styles & Tennyson, 2007) which has been modified according to conditions in Indonesia (Ratmono, 2013) and used as a measure of transparency (Adiputra et al., 2018).

This study has policy implications related to the implementation of accrual-based accounting for existing district/city governments, particularly district/city governments in South Sulawesi Province. In addition, this research is expected to increase the accountability and transparency of financial management in the regional government of South Sulawesi.

RESEARCH METHODS

This research is an explanatory research. The variables in this study consist of the independent variable (independent variable) and the dependent variable (dependent variable) and the moderating variable. The independent variables of the study are Human Resource Competence, Quality of Information Technology, APIP Support and Communication variables. The moderating variable of this study is the Leadership Commitment variable while the

dependent variable is the Accrual-Based Accounting Implementation Variable, accountability and transparency of local government. This study aims to prove empirically the existence of a relationship between the independent variable and the moderating variable and the dependent variable by using a questionnaire distributed to the compilers of financial statements from each SKPD in the Regional Government of South Sulawesi Province.

The object of this research is the Regency/City in South Sulawesi Province. For the first year, the research objects were 10 districts/cities. The second year, the research object was expanded to 14 other districts/cities in South Sulawesi province. So that in the second year, all districts/cities in South Sulawesi Province. The population of the study was Financial Administration Officers (PPK) and Regional Financial Management Officers (PPKD) at the Regency/City Government Financial Management Agency of South Sulawesi. The sampling technique used was the census technique.

The type of data used in this research is quantitative data. This data is in the form of values or scores on the answers given by respondents to the questions listed on the questionnaire. In giving the score, researchers used a Likert Scale. The data source used in this research is primary data. Primary data is obtained from the results of questionnaires distributed to Financial Administration Officers (PPK) and Regional Financial Management Officers (PPKD) at the Regency/City Government Financial Management Agency of South Sulawesi. The data collection method that the writer uses in research is field research by obtaining data directly in the field through a questionnaire.

Research Variable

This study uses three variables, namely the independent variable, the moderating variable and the dependent variable. The independent variables in this study include Human Resource Competence, Quality of Information Technology, APiP Support and Communication variables. The moderating variable of this study is the Leadership Commitment variable while the dependent variable is the Accrual-Based Accounting Implementation Variable, the Accountability Variable and the Transparency Variable.

Data Analysis Technique

To test the causal relationship of the above hypotheses, this study will be analyzed using Structural Equation Modeling (SEM). After being classified based on the observed variables, the data was transferred to the SPSS program and finally transferred to the AMOS program for analysis.

The functional equation in the structural model is as follows:

$$Y = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \alpha_4 X_4 + \alpha_5 X_1 X_5 + \alpha_6 X_2 X_5 + \alpha_7 X_3 X_5 + \alpha_8 X_4 X_5 + e \dots \quad (1)$$

$$Z_1 = \beta_0 + \beta_1 Y + e \dots \dots \quad (2)$$

Information:

α_0 β_0 , γ_0 : Constants

α_1 -8, β_1 , γ_1 : Regression direction coefficient

X1: Human Resources Competence

X2: Quality of Information Technology

X3: APiP support

X4: Communication

X5: Leadership Commitment

Y: Implementation of Accrual Based Accounting

Z1: Accountability

e: (error)

Hypothesis Development

Adventana's (2014) research results show that HR has a positive effect on the readiness of accrual-based SAP implementation. The results of the study (Pratiwi, 2015) also show that human resources have a significant positive effect on the readiness to implement accrual-based Government Accounting Standards (SAP). From this explanation, the researchers suspect that there is a significant relationship between human resource competence and the implementation of accrual-based accounting standards. Therefore, the hypothesis is formulated:

H1 Human Resources Competence affects the level of accrual-based accounting implementation in local government entities.

Resources are important in implementing policies, according to the theory of public policy implementation (Edward III, 1980). One of the elements of resources is facilities. One of the supporting facilities in local government is the use of information technology. The government has established a development program for the development of Information and Communication Technology with the term E-government. The implementation of e-government in the implementation of government governance and public services certainly requires the use of information and communication technology as well as reliable human resources in managing it.

The results of previous studies by (Stamatiadisetal., 2009) show that there is a positive and significant relationship between the quality of information technology and the level of accrual accounting compliance. This study suggests that information technology will be required to facilitate and support the introduction of accrual accounting in the public sector. This argument leads to the formulation of the following hypothesis:

H2 The quality of information technology affects the level of accrual-based accounting implementation in local government entities.

Accountability can be understood as the obligation of the agent to give accountability, present, report, and disclose all activities and activities that are under its responsibility to the principal who has the right and authority to hold this accountable. Government internal auditors in Indonesia are known as the Government Internal Supervisory Apparatus (APIP). Research conducted by (Yuliani et al., 2010) show that the role of internal audit variables simultaneously and partially affects the quality of the financial reports of the Banda Aceh City Government. (Ghifari, 2016) conducted a study which showed that the role of the internal auditor had a positive but not significant effect on the quality of the Ministry of Finance's financial statements. Therefore, the following hypothesis can be formulated.

H3 APIP support affects the level of accrual-based accounting implementation in local government entities.

Communication (or information transmission) is needed so that decision makers and implementers will be more consistent in implementing any policies that will be applied in society. Research results (Adventana, 2014; Pratiwi, 2015; Marsdenia & Arthaingan, 2016) show that communication has a significant positive effect on the readiness to implement accrual-based Government Accounting Standards (SAP) and the successful implementation of accrual-based financial reports. Therefore, the following hypothesis can be formulated.

H4 Communication affects the level of accrual-based accounting implementation in local government entities.

Research conducted by (Septarini, 2016; Suarmika & Manullang, 2016) shows that organizational commitment can moderate the relationship between human resource capacity and the quality of financial statements. Research conducted by (Suarmika, 2016) proves empirically that organizational commitment can moderate the relationship between the use of the Regional Financial Information System (SIKD), in this case information technology, and the quality of financial reports. Research conducted by (Manullang, 2016) concluded that organizational

commitment can moderate the relationship between the internal control system, which includes accounting internal control, and the quality of financial statements.

H5 Commitment from leadership can moderate the influence between Human Resources competence, quality of information technology, APIP support and communication. Implementation of standards on the level of accrual-based accounting implementation in local government entities

Beechy's research (2007) reveals that financial reports are an aspect of accountability. Accrual basis is better for accountability and transparency. According to (Guthrie, 1998) based on empirical evidence that the implementation of accrual accounting can provide a more accurate measurement. (Barrett, 2004) argues that the adoption of accruals in the public sector positively increases the efficiency, effectiveness, accountability and financing of better programs and services provided by the government. Thus the implementation of accruals can increase accountability and transparency

H6 Implementation of accrual-based accounting affects the accountability of local government entities

H7 The implementation of accrual-based accounting has an effect on transparency in local government entities

RESEARCH RESULT

This research was conducted at the Regency/City Government in South Sulawesi, which has 24 districts/cities. Obtained data of 180 questionnaires. The amount of data is considered capable of representing the opinions of each region. The return of this questionnaire will be tested using SPSS to obtain the test results for each variable.

Identity characteristics of the 180 respondents who have returned the questionnaire include the length of time they worked as a party involved in the preparation of financial reports, gender, education level and educational background of the respondents.

Description		Amount	%
Length of work as a party involved in the preparation of financial statements	<2 years	35	19%
	2-5 Tahun	49	27%
	>5 Tahun	96	53%
Gender	Male	94	52%
	Women	86	48%
Education	<= SMA	6	3%
	D3	4	2%
	S1	98	54%
	S2	71	39%
	S3	1	1%
Educational background	Economicdan Business	125	69%
	Non Economicdan Business	55	31%

Sumber: Data Primer Diolah.

	X1	X2	X3	X4	Z1	Y1	Y2
Mean	4.19	4.5	4.34	4.23	4.22	4.19	4.29
Standard Error	0.04	0.04	0.05	0.04	0.04	0.04	0.04
Median	4.25	4.6	4.42	4.21	4.14	4.13	4.24
Mode	4	5	5	4	4	5	4
Standard Deviation	0.6	0.58	0.63	0.49	0.59	0.59	0.47
Sample Variance	0.36	0.34	0.4	0.24	0.35	0.35	0.22

Kurtosis	2.09	2.43	-0.02	0.59	0.64	-0.32	0.19
Skewness	-1.13	-1.51	-0.81	-0.61	-0.74	-0.42	-0.39
Range	3.25	3	2.5	2.42	2.86	2.63	2
Minimum	1.75	2	2.5	2.58	2.14	2.38	3
Maximum	5	5	5	5	5	5	5
Sum	754.5	810.8	781.83	761.75	759.29	754.63	773.1
Count	180	180	180	180	180	180	180
Confidence Level(95.0%)	0.09	0.09	0.09	0.07	0.09	0.09	0.07

Source: Primary Data Processed.

X1=HR competency

X2=IT Quality

X =APIP support

X4=Communication

Z1=Leader Commitment

Y1=Implementation of Accrual-Based Government Accounting Standards

Y2=Public Accountability

Data Analysis

By using SEM (Structural Equation Modeling), the assumptions that must be met first in the process of collecting and processing data to be analyzed are as follows:

A. Normality Test

The normality test table for HR competency variables, Information Technology Quality, APIP support and communication towards accrual-based SAP implementation shows the results. Based on the results of the data, it can be concluded that the significance value is $0.573 > 0.05$, it can be concluded that the data above is normally distributed.

B. Multicollinearity Test

Table 3			
MULTICOLLINEARITY OF ACCRUAL-BASED SAP IMPLEMENTATION			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	HR Comptence	0.526	1.901
	IT Quality	0.460	2.176
	APIP Support	0.585	1.709
	Communication	0.312	3.205
	Leader Commitment	0.391	2.555

Dependent Variable: Implementation of Accrual-Based Government Accounting Standards

Tabel 4			
MULTICOLLINEARITYPUBLIC ACCOUNTABILITY			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	HR Comptence	0.526	1.901
	IT Quality	0.460	2.176
	APIP Support	0.585	1.709
	Communication	0.312	3.205
	Leader Commitment	0.391	2.555

HYPOTHESIS TEST

Table 5					
LINEAR REGRESSION TEST RESULTS					
Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Sig. F
1	0.641 ^a	0.411	0.398	0.45673	0.000

a. Predictors: (Constant), Komunikasi, Dukungan APIP, Kompetensi SDM, Kualitas TI

From the results of the linear regression test above, it shows that:

1. The Effect of HR Competence on Accrual-based SAP Implementation with a significance level of $0.02 < 0.05$, it can be concluded that HR Competence has an effect on Accrual-Based SAP Implementation.
2. The Effect of Information Technology Quality on Accrual-based SAP Implementation with a significance level of $0.003 < 0.05$, it can be concluded that HR competencies have an effect on Accrual-Based SAP Implementation.
3. The effect of APIP support on accrual-based SAP implementation with a significance level of $0.810 > 0.05$, it can be concluded that APIP support has no effect on accrual-based SAP implementation.
4. The Effect of Communication on Accrual-Based SAP Implementation with a significance level of $0.001 < 0.05$, it can be concluded that Communication has an effect on Accrual-Based SAP Implementation.

Based on the results of the linear regression test above, it shows that the R square of the variable Communication, APIP Support, HR Competence, IT Quality is 0.543 or 54.3% affects the Public Accountability variable and 44.7% is influenced by other variables. From the results of the linear regression test above, it shows that:

1. The influence of HR Competence on Public Accountability with a significance level of $0.649 > 0.05$, it can be concluded that HR Competence has no effect on Public Accountability.
2. The influence of IT Quality on Public Accountability with a significance level of $0.016 < 0.05$, it can be concluded that the quality of IT has an effect on Public Accountability.
3. The effect of APIP Support on Public Accountability with a significance level of $0.00 < 0.05$, it can be concluded that APIP Support has an effect on Public Accountability.
4. The effect of communication on public accountability with a significance level of $0.016 < 0.05$, it can be concluded that communication has an effect on public accountability.

Based on the results of the linear regression test above, it shows that the R square of the variable Communication, APIP Support, HR Competence, IT Quality is 0.381 or 38.1% affects the accrual-based accounting implementation variable and 61.9% is influenced by other variables.

From the results of the linear regression test above, it shows that:

1. Commitment of Leaders is able to moderate the influence between Human Resource competence and quality of information technology on the level of accrual-based accounting implementation in local government entities.
2. Commitment Leaders are unable to moderate the relationship between APIP support and communication. Implementation of standards on the level of accrual-based accounting implementation in local government entities.

Based on the results of the linear regression test above, it shows that the R square of the Accrual-Based SAP Implementation variable is 0.289 and 28.9% for the Public Accountability variable and 71.1% is influenced by other variables.

The transparency variable uses an index of the level of information accessibility used by (Styles & Tennyson, 2007) which has been modified according to conditions in Indonesia (Ratmono, 2013) and is used as a measure of transparency (Adiputra et al., 2018). The assessment of transparency using the index used by (Ratmono, 2013) was obtained for the South Sulawesi region which gave a score on financial statement disclosure after implementing accrual-based accounting was as follows.

AREA	A	B	C	D	sum
BANTAENG	1	1	1	0	3
BARRU	1	0	0	0	1
BONE	1	1	1	1	4
BULUKUMBA	1	1	1	1	4
ENREKANG	1	1	1	1	4
GOWA	1	1	1	1	4
JENEPONTO	1	1	1	0	3
KEPULAUAN SELAYAR	1	1	1	1	4
LUWU	1	1	1	0	3
LUWU TIMUR	1	0	1	1	3
LUWU UTARA	1	1	1	1	4
MAKASSAR	1	1	1	1	4
MAROS	1	1	1	0	3
PALOPO	1	1	1	1	4
PANGKEP	1	1	1	0	3
PAREPARE	1	1	1	1	4
PINRANG	1	1	1	0	3
SIDRAP	1	1	1	0	3
SINJAI	1	1	1	1	4
SOPPENG	1	1	1	1	4
TAKALAR	1	1	1	0	3
TANA TORAJA	1	0	0	0	1
TORAJA UTARA	1	1	1	1	4
WAJO	1	0	0	0	1
RATA-RATA					3,25

Information

- A) If the local government website can be found on the first page of Google search by typing the name of the local government
- B) +1 If required ≤ 3 clicks to view financial and non-financial information on local government websites
- C) +1 If financial and non-financial data can be downloaded in various formats
- D) +1 If there is financial and non-financial information for the previous year on the local government website

The results above show that the average score for transparency of information from each region in South Sulawesi is quite satisfactory. These results can be seen from the score obtained, namely 3, 25. These results explain that the level of transparency of the government in the South Sulawesi region is quite satisfying because it gets a score of 3.25 out of a maximum score of 4.

DISCUSSION

The influence of Human Resources competence on the level of accrual-based accounting implementation in local government entities.

The results of the analysis of the Effect of HR Competence on Accrual-based SAP Implementation obtained a significance level of $0.02 < 0.05$. These results indicate that HR competency affects the Accrual-Based SAP Implementation. Human Resources competencies are able to influence the implementation of accrual-based accounting in local government entities. This is in line with the research results of (Adventana, 2014; Pratiwi, 2015) which show that HR has a positive effect on the readiness of accrual-based SAP implementation.

These results prove that H1 in this study is accepted because of the significant influence of Human Resource Competence on the implementation of accrual-based accounting in local government entities.

The influence of the quality of information technology on the level of accrual-based accounting implementation in local government entities

The level of significance of the Influence of Information Technology Quality on Accrual-based SAP Implementation is $0.003 < 0.05$. This gives the result that HR competence affects the Accrual-Based SAP Implementation. The results of the analysis in this study indicate that the quality of information technology is able to influence the level of accrual-based accounting implementation in local government entities.

The results of this study are in line with (Stamatiadis, et al., 2009) show that there is a positive and significant relationship between the quality of information technology and the level of accrual accounting compliance. This proves that H2 in this study is accepted because of the significant influence of the quality of information technology on the implementation of accrual-based accounting in local government entities.

The effect of APIP support on the level of accrual-based accounting implementation in local government entities

The test results of the Effect of APIP Support on Accrual-based SAP Implementation obtained a significance level of $0.810 > 0.05$. Thus it can be concluded that APIP Support has no effect on Accrual-Based SAP Implementation. The Government Internal Supervisory Apparatus (APIP) is the party entrusted with being able to act responsibly and have integrity and honesty towards other parties. The results of this study are certainly in line with (Ghifari's, 2016) research which shows that the role of the internal auditor has no significant effect on the quality of the Ministry of Finance's financial statements. Based on these results, it proves that H3 in this study was rejected because there was no significant influence between APIP supports on the level of implementation of accounting based on akural in local government entities.

Effect of Communication Standard Implementation on the Level of Accrual-Based Accounting Implementation in Local Government Entities

The results of the analysis of the Effect of Communication on Accrual-based SAP Implementation obtained a significance level of $0.001 < 0.05$. Thus communication affects the Accrual-Based SAP Implementation. The results of the analysis show that the effect of standard implementation communication on the level of accrual-based accounting implementation in local government entities shows significant results. These results mean that communication is able to improve the implementation of accrual-based accounting standards in an entity. This research is in line with research (Adventana, 2014; Pratiwi, 2015; Marsdenia & Arthaingan, 2016) which shows that communication has a significant positive effect on the readiness to implement accrual-based Government Accounting Standards (SAP) and the successful implementation of accrual-based financial reports. The conclusion from the results of the analysis shows that H4 in this study is accepted because there is an influence between communication and the level of accrual-based accounting implementation in local government entities.

The Role of Leadership Commitment in Strengthening the influence of Human Resource Competence, Quality of Information Technology, Support of Apip and Communication of Standard Implementation on the Level of Accrual-Based Accounting Implementation in Local Government Entities.

The results of the linear regression test show that the R square of the variable Communication, APIP Support, HR Competence, IT Quality is 0.381 or 38.1% affects the accrual-based accounting implementation variable and 61.9% is influenced by other variables. The results of data analysis in this study indicate that the commitment of leaders is able to moderate the relationship between human resource competence and the quality of information technology. The results of this study are also in line with Septrani (2016); Suarmika (2016); Manullang (2016) which show that organizational commitment can moderate the relationship between human resource capacity and the quality of financial statements.

According to the theory of stewardship, the steward recipients are motivated to act according to the wishes of the principal, besides the steward behavior will not leave the

organization because the steward tries to achieve the organizational goals. In other words, the relationship that occurs between the principal and the steward, in this case the people as the principal and the government as the steward is a relationship that exists because of a human nature who can be trusted, is able to act responsibly, has integrity and is honesty with other parties.

The implication in this research is that the local government provides services to the community not only for economic interests but also for sociological and psychological considerations in order to achieve good governance.

Accrual-Based Accounting Implementation Affects the Accountability of the Entity.

Accrual-based accounting is a recording system adopted from private company records because it is considered effective in the current government and is considered capable of increasing accountability to the entity. This study proves this by obtaining the results of testing data which show that the implementation of accrual-based accounting significantly affects the level of accountability in an entity. The results of this study are in line with the research of Beechy (2007) which reveals that financial reports are an aspect of accountability. Accrual basis is better for accountability and transparency.

Accrual-Based Accounting Implementation has an Effect on Transparency in Local Government Entities

The implementation of accrual accounting is a system that is considered capable of realizing accountability in providing information and disclosing government financial activities and performance through financial reports. Based on data collected from IHPS semester 1 2019 from BPK RI, in the last 5 years (2014-2018), opinions of LKPD throughout Indonesia have improved. Especially for South Sulawesi, the improvement of the LKPD opinion from 2014 before the Accrual Implementation to the 2018 LKPD opinion, 3 years after the accrual implementation, has experienced a fairly good improvement in opinion.

The transparency variable uses an index of the level of information accessibility used by Styles & Tennyson (2007) which has been modified according to conditions in Indonesia (Ratmono, 2013) and is used as a measure of transparency (Adiputra et al., 2018). The assessment of transparency using the index used by Ratmono (2013) was obtained for the South Sulawesi region which gave a score on financial statement disclosure after implementing accrual-based accounting had an average of 3.45. This result shows a satisfactory number because the average score obtained for each region is more than 3 from the maximum score of 4.

CONCLUSIONS

Based on the results and discussion in the previous chapter, the following research conclusions can be drawn:

- 1) Competence of Human Resources is able to influence the implementation of accrual-based accounting in local government entities. This shows that the ability of human resources is considered to facilitate the implementation of accrual-based accounting in local government entities.
- 2) The quality of Information Technology is able to influence the level of accrual-based accounting implementation in local government entities.
- 3) APIP support is not able to influence the level of accrual-based accounting implementation in local government entities.
- 4) Communication affects the implementation of accrual-based accounting in local government entities. Communication is very important in an organization because there is more than one thought in it. With good communication, every problem in a process can maximize the potential that exists in an organization.
- 5) The commitment of the leader is able to moderate the relationship between human resource competence and the quality of information technology. The leader is the key to the success of an organization so that when there is support from the leader so that the implementation of accrual-based accounting can run well.
- 6) The implementation of accrual-based accounting affects the level of accountability in an entity. The implementation of accrual-based accounting is considered capable of improving legal accountability, managerial accountability, program accountability, job accountability and financial accountability in a local

- government entity.
- 7) Accrual accounting is a system that is considered capable of realizing accountability in providing information and disclosing government financial activities and performance through financial reports. The accrual-based accounting system is believed to be able to provide actual and relevant information in decision making.
 - 8) The transparency assessment using an index of the level of information accessibility for district/city governments in South Sulawesi Province gave an average score of 3.45 on the disclosure of financial statements after implementation. This result shows a satisfactory number because the average score obtained for each region is more than 3 from the maximum score of 4.

SUGGESTIONS

Based on the results of the discussion and conclusions, the suggestions in this study are:

- 1) Human resources within the capability regional entity play an important role in the running of a process of achieving goals and one of the factors for the success of policy implementation. Therefore, it is hoped that local governments will always strive to increase competent resources through education and training.
- 2) Information Technology is able to influence the level of accrual-based accounting implementation in local government entities. Therefore, it is recommended that local governments develop an electronic financial management system.
- 3) The transparency of financial management in district/city governments in South Sulawesi Province still needs to be improved.
- 4) The variables in this study are human resources, information technology, APIP support, communication, and leadership commitment that influence accrual-based SAP implementation. For further research, it is necessary to develop both the addition of variables and changes in variable positions

IMPLICATIONS

This study has policy implications related to the implementation of accrual-based accounting for existing district/city governments, particularly district/city governments in South Sulawesi Province. In addition, this research is expected to increase the accountability and transparency of financial management in the regional government of South Sulawesi. The results of this study have implications for the development of theory and science, especially financial accounting theory and behavioral accounting theory in the public sector.

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