Factors Affecting the Quality of SKPD Financial Reports in Cimahi City Local Government

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Abstract. *The objective of this research is to determine the influence of Human Resource Competence and Government Internal Control System on the Quality of SKPD Financial Reports in the Cimahi City Local Government. The research was conducted on all SKPD, with 83 respondents who are the team of SKPD financial report compilers. To determine the effect of Human Resources Competence and Government Internal Control System on the Quality of SKPD Financial Reports, multiple linear regression models and t-test to examine the hypothetical tests processed with SPSS Statistics 25 were used. The results showed that the human resources compentence and the government internal control system had a significant effect on the quality of SKPD financial reports.*

INTRODUCTION

The issuance of accrual-based government accounting standards has confirmed government accounting to be an increasingly mature discipline and become a separate part that can be studied separately from public sector accounting. Starting from this, government accounting is increasingly in demand which is marked by more research in the field of government accounting, so that the development of government accounting is also supported academically.

In practice, although Government Regulation No. 71/2010 has been issued, the application of accrual-based government accounting cannot be done just like that, there is still a need for derivative regulations to implement it. The implementation of accrual-based government accounting in the scope of the central government was regulated for the first time by the Regulation of the Minister of Finance Number 270/PMK.05/2014 concerning the Implementation of Accrual-

Based Government Accounting Standards in the Central Government, then replaced by Regulation of the Minister of Finance Number 225/PMK.05/2016 concerning the Implementation of Accrual-Based Government Accounting Standards in the Central Government. Meanwhile, within the scope of local government, it is regulated by the Minister of Home Affairs Regulation Number 64 of 2013 concerning the Application of Accrual-Based Government Accounting Standards in Regional Governments (Permendagri 64/2013).

Permendagri 64/2013 mandates local governments throughout Indonesia to implement accrual-based Government Accounting Standards in the 2015 fiscal year, by first issuing Regional Head Regulations on Regional Government Accounting Policies and Systems. Based on this, the Cimahi City Government issued the Cimahi Mayor Regulation Number 13 of 2014 concerning the Accrual-Based Accounting Policy of the Cimahi City Government and the Cimahi

Mayor's Regulation Number 28 of 2014 concerning the Cimahi City Government Regional Government Accounting System.

Before the application of accrual-based Government Accounting Standards, the Cimahi City Government received an unqualified opinion from the Supreme Audit Agency 2 times in a row, namely in the 2013 and 2014 Regional Government Financial Statements. Previously, Cimahi City had always received a qualified opinion and never received a disclaimer or adverse opinion. After the implementation of the accrual-based Government Accounting System, the City of Cimahi also maintains an unqualified opinion, until the audit of the Regional Government Financial Report for the 2019 fiscal year.

This achievement is of course a good thing, the City of Cimahi was able to achieve an unqualified opinion 7 times in a row. However, this opinion is an opinion for the Regional Government Financial Statements, where the Regional Government Financial Reports are the consolidated results of the Financial Reports of Regional Financial Management Officials and the Financial Reports of Regional Apparatus Work Units. Behind the highest opinion achieved, it does not mean without obstacles in the field, especially about the Financial Reports of Regional Apparatus Work Units (LK-SKPD).

Based on information from the Regional Financial and Asset Management Agency (BPKAD) of Cimahi City, there are still fundamental obstacles faced with SKPD financial reporting. In the 2018 fiscal year, of the 28 SKPD in Cimahi City, only 2 SKPD (7.14%) were declared capable of compiling financial reports independently. While for the 2019 fiscal year, there were 3 SKPD (10.71%) that were declared capable of preparing financial reports independently. The rest, the preparation of SKPD financial reports are carried out with intensive assistance from the BPKAD Team. The assessment by BPKAD on the ability of SKPDs in preparing financial reports is based on 3 indicators: timely, accurate, and timely disclosure.

In addition, from the results of interviews with several PPK-SKPD, it was revealed that the financial statements of SKPDs were only prepared to fulfill administrative obligations. SKPD financial reports have not been used as material for evaluating activities, especially as a basis for decision-making. The determination of the budget ceiling, for example, is still done incrementally based on a certain percentage then divided by the proportion for each SKPD. This indicates that the financial statements of SKPD in Cimahi City cannot be said to be relevant.

If we look previous research, the quality of financial reports can be influenced by many variables, such as the implementation of accounting standards, information technology, human resource competencies, internal control systems, internal audits, governance, organizational commitment, and other variables.

According to the BPKAD's Head of the Accounting Sub Division, Fachmi N. Rodiana, in Cimahi City the problem of the quality of the SKPD financial reports is influenced by many factors, but it is suspected that the dominant factors influencing this are the human resources compentence (HR) and the Government Internal Control System (SPIP). This allegation is not without reason, if you look at the educational background of the PPK-SKPD, until the 2018 fiscal year there was only 1 person who had an accounting education background, while in the 2019-2020 fiscal year it increased to 2 people who had an accounting education background.

Starting from the 2019 budget year, BPKAD initiated the formation of the LK-SKPD Drafting Team which was determined by the Cimahi Mayor's Decree, consisting of 2 implementers per SKPD who were given a special task to compile LK-SKPD, bringing the total to 56 people. If you look at their educational background, of the 56 implementers who were appointed as the LKPD-SKPD drafting team, only 15 people (26.79%) with accounting education backgrounds at various levels (vocational school/SMK, diploma/D3, bachelor/S1, and postgraduate/S2), spread across 11 SKPD. While the rest (73.21%) have diverse

educational backgrounds, some even have an education that is completely irrelevant to accounting, such as biology, culinary arts, electrical engineering, etc.

Meanwhile, SPIP can also be suspected to be a factor that affects the quality of SKPD financial reports. Until 2020, the SPIP maturity level of the Cimahi City Government is still at level 1 with a value of 1.26 on a scale of 5. This value is the result of an evaluation from the Financial and Development Supervisory Agency (BPKP) in 2016, where this value places Cimahi City in the lowest rank in West Java. This is an indication that the implementation of SPIP in Cimahi City is still not running optimally.

Based on the description above, this study will further reveal how much influence the human resources compentence and SPIP has on the quality of SKPD financial reports in the Cimahi City Local Government. Similar studies have been conducted by other researchers, such as Haliah and Nirwana (2019) who revealed that competence affected the quality of financial reports. Another study was conducted by Rahmawati, Mustika, and Eka (2018) which revealed that the internal control system had a significant effect on the quality of financial reports. In addition, there are also studies with different results, for example, the research of Philadhelphia, Suryaningsum, and Sriyono (2020) which reveal that human resource competence and internal control system does not affect the quality of financial reports.

Research on similar topics is not only conducted in government agencies, but also in business entities, such as research conducted by Rinie, Pranata, and Rapina (2019) conducted in textile companies, concluding that weak internal control is the cause of poor financial reports. Another study conducted in transportation companies by Lestari (2020) revealed that the competence of accounting staff affects the quality of financial reports.

The difference between this research and previous research lies in the focus of the research, which specifically examines the scope of SKPD as an accounting entity, while the majority of previous studies examine the

scope of local government, as a reporting entity. Respondents in this study were also limited to financial statement preparers, which consisted of SKPD Financial Administration Officials (PPK-SKPD) and executors assigned to be the SKPD financial report preparation team, while previous research also made Budget Users (Pengguna Anggaran), Budget Users Mandatory (Kuasa Pengguna Anggaran), Officials Technical Executor of Activities (Pejabat Pelaksana Teknis Kegiatan), and Treasurer (Bendahara) as the respondent, when in fact they did not actually participate in compiling the SKPD Financial Reports.

LITERATURE REVIEW

The Influence of Human Resource Competence on the Quality of SKPD Financial Reports

Competence is the knowledge, skills, abilities, and personality characteristics that directly affect the quality of work (Mangkunegara, 2012). SKPD financial statements are the result of the work of their constituents, meaning that the quality of financial reports shows the quality of work, which is influenced by the competence of the constituents. This is in line with the opinion of Harun (2009) which states that the preparation of government financial statements requires competent personnel to produce financial reports that comply with standards.

In local governments, the problem of human resources is increasingly felt when speaking within the scope of SKPD, this is due to the uneven distribution of competent personnel in the accounting field. Haliah and Nirwana (2019) states that the competence of the apparatus affected the quality of financial reports. This conclusion is in line with the research of Mardinan, Dahlan, and Fitriyah (2018) which found that HR competence had a significant effect on the quality of financial reports.

H1 : Human Resource Competence affects the Quality of SKPD Financial Reports in the Cimahi City Local Government

The Influence of the Government Internal Control System on the Quality of SKPD Financial Reports

Based on the Internal Control-Integrated Framework (ICIF) published by COSO (2013), internal control has 3 objectives, namely: operations objectives, reporting objectives (financial/non-financial), and compliance objectives. The three objectives were adapted in the Government Internal Control System (SPIP) which is regulated by Government Regulation Number 60 of 2008, with modifications adapted to the conditions of the government in Indonesia, so that SPIP has 4 (four) objectives, namely: effective and efficient activities, reliability of financial statements, safeguarding state assets, and compliance with regulations.

If we look at the objectives of the SPIP, it is very clear that the reliability of financial statements is one of the objectives, this indicates that a good SPIP implementation will improve the quality of financial reports. Glyn in Mardiasmo (2009) states that a control system is needed to ensure the reliability of financial statements. The same opinion is expressed by Reck and Lowensohn (2016) which state that the implementation of internal control is relevant for preparing the presentation of financial statements that are free from material misstatement, whether caused by fraud or error.

Research by Rahmawati, Mustika, and Eka (2018) concludes that internal control has a significant effect on the quality of local government financial reports. This is in line with the results of Mardinan, Dahlan, and Fitriyah (2018) research which shows that there is a significant influence between the internal control on the quality of financial reports.

H2 : Government Internal Control System on the Quality of SKPD Financial Reports in the Cimahi City Local Government

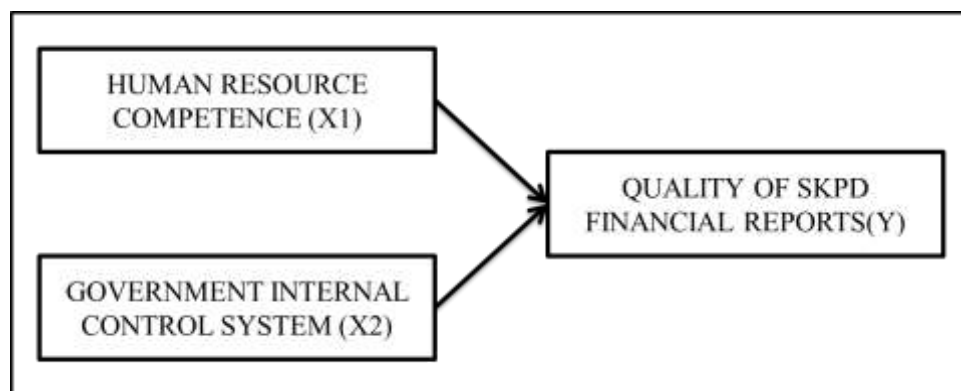Based on the description above, the research paradigm is set, as follows:

Figure 1 Research Paradigm

RESEARCH METHOD

Research Design

Oei (2010:25) states that research designs can be divided into three types, namely: exploratory research, descriptive research, and causal research. This research is a descriptive and causal research, which wants to provide an overview of the variables studied as well as the influence between variables. To determine the effect between variables, multiple linear regression models and t-test were used to test the hypothesis. This research departs from the problems found during the preliminary study, then juxtaposed with relevant theories and previous studies, after which data collection, processing, and

analysis are carried out so that conclusions can be drawn to answer the problems.

The research location is in the Cimahi City Local Government, with an analysis unit of all SKPD in Cimahi City, totaling 28 SKPD. As for the respondents in this study, there were 3 people per SKPD, consisting of 1 PPK-SKPD and 2 people who were appointed as members of the SKPD financial report preparation team. These respondents were chosen because they are the ones who directly compile the financial statements of the SKPD, so they are expected to disclose the real problems. The research data was collected using a questionnaire filled out by all respondents as the main instrument, which was strengthened by interviews with related parties, field observations, and literature studies.

Variable Operations

This study includes 3 variables, namely the human resources compentence, the government internal control system (SPIP), and the quality of SKPD financial reports, which are operationally defined as follows:

1. Human Resources Competence (X1) is The ability to do the tasks required in a job (Ivanovic & Collin, 2003). Human Resource Competence has 3 dimensions, namely: Knowledge, Skill, and Attitude.
2. SPIP (X2) is an integral process for actions and activities carried out continuously by the leadership and all employees to provide adequate assurance on the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations (PP Number 60 of 2008). SPIP has 5 dimensions, namely: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.
3. Quality of Financial Statements (Y) is a normative measure that needs to be realized in accounting information so that it can fulfill its objectives (PP Number 71 of 2010). The quality of financial reports

has 4 dimensions, namely: Relevant, Reliable, Comparable, and Understandable.

Data Analysis Technique

To determine the effect of Human Resource Competence and Government Internal Control System on the Quality of SKPD Financial Reports, multiple linear regression models were used and hypothesis testing using t-test, which was processed with SPSS Statistics 25. The data obtained must be confirmed to be valid and reliable, then the classical assumption test is carried out in the form of normality test, heteroscedasticity test, and multicollinearity test.

Furthermore, the conversion of ordinal data sourced from questionnaires into interval data, using the Method of Successive Interval (MSI). To ensure that the regression model built is feasible to use and accurate in statistical estimation, a feasibility test of the model is carried out using the coefficient of determination test (Adjusted R^2) and the F test. After confirming that the model has passed the feasibility test, it is possible to test the hypothesis and establish a multiple regression model, whose basic equation is as follows:

Model 1

$$Y = a + b_1X_1 + b_2X_2$$

RESULTS AND DISCUSSION

Validity and Reliability Test Results

The validity test will be carried out on each item of the questionnaire, with the technique of testing the correlation technique between the statement items and the total. According to Sugiyono (2019), if $r \geq 0.3$ then the instrument is said to be valid. Based on the results of the validity test, all items from each variable are declared valid, so there is no need for items to be discarded.

Furthermore, the reliability test was carried out using the split-half correlation technique from Spearman-Brown, with the

criteria that if the coefficient R 0.6 then the instrument was declared reliable, and vice versa. Based on the results of the calculation of the reliability coefficient, all instruments are declared reliable, as presented in the following table:
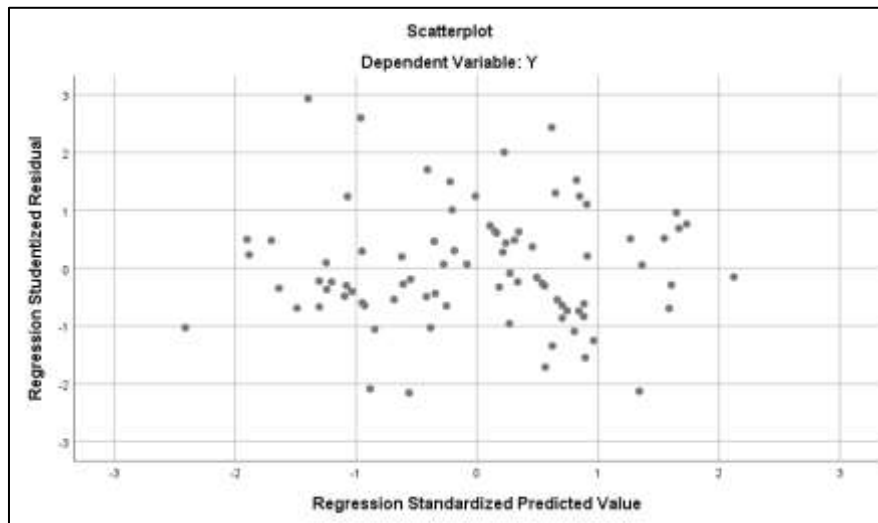
Table 1
Reliability Test Results

Variable	Coef.	Status
HR Competence (X_1)	0,890	Reliable
SPIP (X_2)	0,934	Reliable
Quality of SKPD Financial Reports (Y)	0,913	Reliable

Source: Primary Data Analysis, 2021

Classic Assumption Test Results

Classical assumption test consisting of normality test, heteroscedasticity test, and multicollinearity test has been carried out in this study, with the following results:

Table 2
One-Sample Kolmogorov-Smirnov Test

Unstandardized Residual		
N		83
Normal Parameters	Mean	,0000000
	Std. Dev.	4,50501441
Most Extreme Differences	Absolute	,089
	Positive	,089
	Negative	-,061
Test Statistic		,089
Asymp. Sig. (2-tailed)		,154

Source: Primary Data Analysis, 2021

The regression model is said to be good if the residual value is normally distributed. To detect whether the residual value is normally distributed or not, the Kolmogorov-Smirnov statistical test is used. Based on table 2, it is known that the significance value of the Kolmogorov Smirnov test is $0.154 > 0.05$ which indicates that the research data is normally distributed.

Source: Primary Data Analysis, 2021
Figure 2 Scatterplot

The regression model is said to be good, if there is no heteroscedasticity, or it is also called homoscedasticity. To detect whether there is heteroscedasticity or not, scatterplot graph analysis is performed. Figure 2 above shows that the data points spread above, below, and around the number 0. The spread of data points also does not form a certain pattern. Therefore, it can be concluded that

there is no heteroscedasticity problem in the research data.

Table 3
Multicollinearity Test

Model	Tolerance	VIF
X_1	,656	1,524
X_2	,656	1,524

Source: Primary Data Analysis, 2021

The regression model is said to be good if there is no correlation between the independent variables. Heteroscedasticity occurs if the residuals from one observation to another are different. To detect whether there is a correlation between independent variables or not, a multicollinearity test is performed. Based on table 3, it can be seen that all tolerance values exceed 0.1 and the VIF value is below 10. These results indicate that there is no correlation between the independent variables.

Descriptive Analysis

According to Indrianto and Supomo (2002), descriptive statistics are the transformation of research data in the form of tabulations that present a summary of the data, so that they are easy to understand and interpret. Descriptive data processing in this study, using the help of tables in the form of a predetermined average score so that it can be seen the classification of the existence of each research variable. The classification includes very good, good, quite good, not good, very not good. The interpretation criteria are as follows:

Table 4
Category of Research Variables

Average Score	Category
4,21 – 5,00	very good
3,41 – 4,20	good
2,61 – 3,40	adequate
1,81 – 2,60	poor
1,00 – 1,80	bad

The variable of human resource competence got an average score of 3.48 which was included in the good category. However, the score is in a critical position, close to the lower limit, which is 3.41. One of the reasons for the low average score of this variable is 46.98% of respondents feel that their educational background is not relevant to their duties as SKPD financial report compilers. In addition to the formal education factor, the understanding of government accounting standards (SAP) of the SKPD financial report compilers is also low, where

31.32% of respondents said they did not understand SAP, while 43.37% said they understood enough but not in-depth. It is interesting to observe, from the results of the study it was revealed that the preparers of financial statements have a good enthusiasm for learning because the majority of respondents stated that they were interested in reading accounting literature to increase understanding in the field of accounting. In addition, in terms of integrity, the SKPD financial report preparers also have good integrity, where the majority of respondents stated that they dared to refuse interventions that could lead to violations.

Furthermore, the SPIP variable on average gets a score of 3.60 which is in the good category, but on the other hand, several indicators are still weak with scores below the average. The majority of respondents feel that they have not received adequate training, although of course, this does not mean that they have never been given training at all, but perhaps the training provided so far has not been effective in improving the competence of financial statement preparers. Risk analysis on the possibility of material misstatement in the financial statements of SKPD can also be an actionable matter because the majority of SKPD have not done so. It is interesting to observe, the majority of respondents think that the leadership role is still not optimal in the preparation of financial statements, the leadership is also considered to have no managerial ability and does not show serious attention to SKPD financial reporting.

Finally, the variable of the quality of the SKPD financial reports gets an average score of 3.74 which is in the good category. Of the 17 statements submitted, 3 statements were not in the good category, the rest were in a good category, and none of the statements were in the very good category. The majority of respondents stated that the information in the SKPD financial statements can be used to predict the future and cannot be used as a basis for budgeting. In addition, the information in the SKPD financial statements is also considered not to be able to provide feedback that can evaluate activities that have been carried out in the past.

Model Feasibility Test

The feasibility test of the model is carried out to ensure that the regression model that is built is feasible to use and is accurate in estimating statistically. The model feasibility test is carried out with 2 (two) types of tests, namely:

1. Coefficient of Determination Test (Adjusted R^2)

   The coefficient of determination in multiple linear regression is used to predict and see how much influence the independent variable (X) has on the dependent variable (Y). In multiple linear regression where the independent variable is more than 1, then Adjusted R Square is used as the Coefficient of Determinants (CD). CD is the key to carry out subsequent analyses, if CD is negative, then the F test and t-test cannot be performed. A negative CD indicates that the regression equation is poorly constructed and cannot be used for analysis purposes.

Table 5
Coefficient of Determination Test Results

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,913[a]	,833	,829	4,95121	1,782
a. Predictors: (Constant), SPIP, HR Competence					
b. Dependent Variable: Quality of SKPD Financial Reports					

Source: Primary Data Analysis, 2021

Based on table 5, it is known that CD = 0.829, which means that the influence of the HR Competence and SPIP variables on the Quality of SKPD Financial Reports is 82.9%. In other words, 82.9% of the variation in the value of SKPD Financial Report Quality is caused by differences in the value of HR and SPIP Competencies. The positive CD value is also the key that further testing can be carried out, in the form of the F test and t test.

Table 6
F Test Results

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9800,687	2	4900,343	199,896	,000[b]
	Residual	1961,156	80	24,514		
	Total	11761,843	82			
a. Dependent Variable: Quality of SKPD Financial Reports						
b. Predictors: (Constant), SPIP, HR Competence						

Source: Primary Data Analysis, 2021

2. F test

   If CD is positive, then the F test can then be performed, to test the feasibility of the model. The F-test was performed by comparing the F-count with the F-table at a significance level of 95% ($\alpha = 0.05$), degrees of freedom = (k; n-k-1). According to Ariawaty and Evita (2018), if F-count > F-table or significance value < (0.05), then the independent variable (X) simultaneously has a significant effect on the dependent variable (Y), and the model is declared feasible. From table 6 it is known that the F-count value is 199.896 > F-table 3.11 with a significance of 0.000, therefore it can be concluded that

the HR Competence and SPIP variables have a positive and significant influence together on the Quality of SKPD Financial Reports, as well as indicating that the regression model that was built was declared feasible.

Hypothesis testing

Hypothesis testing is done by t-test, where the t-test is used to show how far the influence of the independent variable (X) in explaining the variation of the dependent variable (Y). To determine the effect of the independent variable on the dependent variable, a t-test was conducted by comparing t-count with t-table, with the following criteria:

a) $\alpha = 0,05$
b) $df = n-k-1$
c) $t_{tabel} = t (\alpha/2 ; n-k-1) = t (0,05/2 ; 83-2-1) = t (0,025; 80) = 1,990$
d) Criteria for acceptance and rejection of hypotheses:
  ▪ If t-count $\leq$ t-table or -t-count $\geq$ -t-table, then H_0 is accepted and H_1 is rejected;
  ▪ If t-count > t-table or -t-count < -t-table, then H_0 is rejected and H_1 accepted.

Table 7
Regression Coefficient and t-count

Variable	Coef	Std. Error	t	Sig.
Constanta	-7,276	3,429	-2,122	,037
HR Competence	,253	,071	3,538	,001
SPIP	,468	,034	13,925	,000

Source: Primary Data Analysis, 2021

Based on the above criteria, it can be analyzed the influence of each independent variable on the dependent variable, as follows:

1) HR Competence (X_1)
   Research Hypothesis:
   $H_{0.1}$: HR competence does not affect the Quality of SKPD Financial Reports in the Cimahi City Local Government.
   $H_{1.1}$: HR competencies affect the quality of SKPD Financial Reports in the Cimahi City Local Government.
   Table 7 shows that the HR Competence variable has a significance value of 0.01

< 0.05 and a t-count value of 3.538 > t-table 1.990, then H0.1 is rejected and H1.1 is accepted. Based on this, it can be stated that the Human Resource Competence variable has a positive and significant effect on the SKPD Financial Report Quality variable.

2) Government Internal Control System/SPIP (X_2)
   Research Hypothesis:
   $H_{0.2}$: SPIP does not have a positive effect on the Quality of SKPD Financial Reports in the Cimahi City Local Government.
   $H_{1.2}$: SPIP has a positive effect on the Quality of SKPD Financial Reports in the Cimahi City Local Government.
   Table 7 shows that the Government Internal Control System variable has a significance value of 0.00 < 0.05 and a t-count value of 13.925 > t-table 1.990, then H0.2 is rejected and H1.2 is accepted. Based on this, it can be stated that the Government Internal Control System variable has a positive and significant effect on the SKPD Financial Report Quality variable.

Multiple Regression Model

In predicting cases that have one dependent variable with two or more independent variables, multiple linear regression models are used, which based on model 1 table 7 can be determined multiple regression equations, as follows:

$$Y = -7,276 + 0,253X_1 + 0,468X_2$$

The above equation can be described as follows:

1. The constant -7.276 is the value of SKPD Financial Report Quality if the HR Competence (X_1) and SPIP (X_2) values are in position 0. However, these values are only mathematical values for modeling purposes;
2. The HR Competence Coefficient of 0.253 means that if HR Competencies increase by one unit and other variables are

constant, then the Quality of SKPD Financial Reports will increase by 0.253 units;

3. The coefficient of the Internal Control System is 0.468, meaning that if the Government Internal Control System increases by one unit and the other variables are constant, the Quality of SKPD Financial Reports will increase by 0.468 units.

The Influence of Human Resource Competence on the Quality of SKPD Financial Reports

Based on the results of the research above, the human resources compentence has a positive and significant effect on the quality of the financial statements of SKPD in the Cimahi City Government. This can be interpreted that the more competent the preparers of financial statements, the more quality SKPD financial reports will be.

Furthermore, to see what the influence model looks like, it can be seen in the multiple linear regression equation which shows the coefficient of human resource competence is positive 0.253. This can be interpreted that the quality of SKPD financial reports will increase by 0.253 units if HR competence increases by one unit, assuming other variables are held constant.

SKPD financial reports is a result of the work of its constituents, meaning that the quality of financial reports also shows the quality of the work of the compilers. This study shows that the competence of the preparers of financial reports has a positive and significant effect on the quality of the financial reports produced, this is in line with the opinion of Mangkunegara (2012) that competence is the knowledge, skills, abilities, and personality characteristics that directly affect the quality of work. These results also support the opinion of Harun (2009) which states that the preparation of government financial reports requires competent personnel to produce financial reports by the Standards.

In addition to supporting the existing theory, the results of this study also confirm previous research conducted by Haliah and Nirwana (2019) South Sulawesi Province, as

well as Mardinan, Dahlan, and Fitriyah (2018) conducting research in Directorate General of Construction Materials, which both concluded that human resource competence has a significant effect on the quality of financial reports. A similar study was also conducted by Metalia, Winarningsih, Suharman, Ritchi, and Sembiring (2020), also Kusuma, Dewi, and Tho'in (2021), which resulted in the same conclusion.

Statistically, it is proven that human resource competence affects the quality of SKPD financial reports, but on the other hand, it is found that indicators are still weak in the variable of human resource competence, especially those related to technical accounting and financial reporting, namely the lack of understanding of government accounting standards, local government accounting systems, and local government accounting policies. This condition is mainly caused by the irrelevant educational background of the financial report preparers in Cimahi City.

The relationship between standards, systems, and accounting policies is a tool for implementing regional government accounting by Article 185 of Government Regulation Number 12 of 2019 concerning Regional Financial Management. The three move each other, where one cannot move without the other, in the context of preparing and presenting financial reports. Accounting as a system also requires the participation of humans (brainware) in its implementation, therefore it requires human resources who have adequate accounting competencies.

To improve the human resources compentence, it can be started by paying attention to indicators that are considered weak and optimizing strong indicators. The preparers of SKPD financial reports in Cimahi City have a high enthusiasm for learning, meaning that if appropriate and structured development steps are taken, they will be able to increase their competence. To develop the competence of preparing financial reports, it can be divided into 2 phases, namely short-term development and medium-term development.

In the short term, it can be done by providing technical training to the preparers of financial reports, with a curriculum that is designed to be truly applicable according to the needs in the field. The training is expected to be able to fill the gaps in understanding and practical skills so that it can assist in carrying out the duties as a financial statement preparer. The problem is, accounting is not a competency that can be formed instantly, it takes a rather long time to form adequate accounting skills and mindset. Therefore, it must be continued with medium-term development, by providing opportunities for financial statement preparers to take formal accounting education.

For medium-term development, collaboration with universities that have accounting study programs can be initiated, with costs sourced from the Cimahi City Regional Revenue and Expenditure Budget (in the form of scholarships). If possible, the curriculum is designed in a tailor-made manner that focuses on learning local government accounting. Thus, in the next few years, the Cimahi City Government will have a team of financial report preparers who have formal accounting education, which is expected to strengthen accounting human resources in SKPD, which in turn will also improve the quality of local government financial reports (LKPD).

The Influence of the Government Internal Control System on the Quality of SKPD Financial Reports

The results of the above study indicate that the government internal control system (SPIP) has a positive and significant effect on the quality of SKPD financial reports in the Cimahi City Local Government. This means that the better the SPIP, the better the quality of the SKPD financial reports.

Furthermore, to see what the influence model looks like, it can be seen in the multiple linear regression equation which shows the SPIP coefficient is positive at 0.468. This means that the quality of the SKPD financial reports will increase by 0.468 units if the SPIP increases by one unit, assuming other variables are held constant.

The results of this study are in line with one of the objectives of implementing SPIP by Government Regulation No. 60 of 2008, namely to create reliable financial reports, therefore it can be stated that a good SPIP implementation will improve the quality of financial reports. This study also supports the theory put forward by Reck and Lowensohn (2016) which states that the implementation of internal control will make the presentation of financial reports free from material misstatement, whether caused by fraud or error.

In addition to supporting theory, this research also supports previous research conducted by Rahmawati, Mustika, and Eka (2018), also Mardinan, Dahlan, and Fitriyah (2018), state that the internal control system has a positive and significant effect on the quality of financial reports. A similar study was also conducted by Metalia, Winarningsih, Suharman, Ritchi, and Sembiring (2020), also Kusuma, Dewi, and Tho'in (2021), which resulted in the same conclusion.

Statistically, it shows that SPIP affects the quality of SKPD financial reports, but there are still weak indicators in SPIP, namely the competence of the financial report drafting team, risk identification and analysis, leadership commitment, and APIP competence. To increase the effectiveness of SPIP implementation, it can be started by paying attention to indicators that are considered weak, which will be described below.

About the competence of the financial report drafting team, it has been discussed in the previous sub-chapter, where it has been suggested that a structured development be carried out, which is divided into 2 phases, namely short term and medium term. In the short term, technical training can be carried out whose curriculum is designed to be truly applicable according to the needs in the field. Meanwhile, in the medium term, collaboration with universities that have an accounting study program can be initiated, to formally send financial report preparers to school, with funding from the Cimahi City APBD.

Next, the majority of SKPDs have not identified and analyzed the risks associated

with possible material misstatements in the preparation of SKPD financial reports. Of course, the SKPD can't carry out its implementation individually, but it must be initiated by the Inspectorate as the SKPD which oversees the Government Internal Supervisory Apparatus (APIP). Identification and risk analysis are very important to do because after all financial reports have a risk of misstatement, namely inherent risk, control risk, and detection risk.

One thing that is interesting to note is that the leadership role in preparing financial reports is still considered weak, which indicates that financial reports have not become a concern for the leadership, because of the old habits that are still attached, where usually SKPDs focus more on administrative matters. Financial reports are still seen as merely fulfilling administrative obligations and have no impact. This of course must be straightened out, by providing an adequate understanding of the financial reports, to all elements of the SKPD leadership. Furthermore, the Mayor of Cimahi as the top leader must build commitment among the SKPD leadership elements, to be more concerned, involved, and pay attention to the preparation of financial reports.

The effectiveness of SPIP implementation will ultimately lead to the Cimahi City Inspectorate as the SKPD that oversees the APIPs (Auditors and P2UPD) because APIP is the one who will oversee the implementation of SPIP in the field. However, on the other hand, the competence of APIP in Cimahi City is still considered inadequate to carry out its main tasks and functions. Ideally, APIP has adequate competence as a provision for carrying out tasks, because APIP is the front line in terms of SPIP implementation, including regional financial supervision.

The development of APIP competencies is certainly not something that can be negotiated, considering that APIP is the motor of SPIP implementation. No matter how great the efforts to increase the effectiveness of the SPIP implementation, it will not have an optimal impact without being escorted by a competent APIP. Strengthening APIP can be done in at least 2 ways, namely:
1) Optimization of the existing APIP, by providing competency development that is relevant to the APIP's field of work, especially matters that support the improvement of SPIP indicators.
2) Tighten new recruitment patterns, by determining strict job specifications, both in terms of educational background, work experience, integrity, and technical competence.

CONCLUSION AND SUGGESTION

Based on the discussion of the research results, it can be concluded that the human resources compentence and the government internal control system have a significant effect on the quality of SKPD financial reports. The results of the research are expected to be used to improve the quality of SKPD financial reports, through increasing the human resources compentence and increasing the effectiveness of the implementation of the government internal control system.

The contribution of the human resources compentence and the government internal control system will be higher if carried out in an integrated manner because both support each other to improve the quality of SKPD financial reports. In addition to increasing the variables that affect the financial reports, it is also possible to take steps to optimize the financial reports themselves. The financial reports of SKPD in Cimahi City are not good in terms of relevance aspects, where financial reports have not been used optimally to predict the future, and have not been used optimally as an instrument for evaluating past activities.

This research, of course, has limitations, therefore for future researchers who will examine the same topic, it is recommended to also examine the possible influence of other variables, for example, Internal Audit, Information Technology, Organizational Commitment, Leadership, etc. In addition to examining the possible influence of other

variables, research with a wider locus can also be carried out, for example by taking a sample of respondents from several local governments.

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