

**THE INFLUENCE OF HUMAN RESOURCE COMPETENCE AND
THE USE OF INFORMATION TECHNOLOGY ON THE QUALITY
OF VILLAGE GOVERNMENT FINANCIAL REPORTING WITH
AN INTERNAL CONTROL SYSTEM AS A MODERATION
VARIABLE
(A Study in Tungkal Ilir District, Bram Itam District, Betara District,
West Tanjung Jabung Regency)**

Andi Juhanesa Putra^{1*}, Ilham Wahyudi², Rico Wijaya Z.³

¹⁻³ Faculty of Economics and Business, Jambi University, Indonesia
E-mail: ¹⁾ andijuhanesaputra@gmail.com, ²⁾ ilham_wahyudi@unja.ac.id,
³⁾ ricowijaya@unja.ac.id

Abstract

This research aims to determine and test the influence of human resource competence and the use of information technology on the quality of village financial reports with an internal control system as moderation. The research population is village officials who are responsible for managing village funds in Tungkal Ilir, Bram Itam and Betara Districts, West Tanjung Jabung Regency with a sample of 4 people from 22 villages. The research method is a quantitative method with Smart-PLS analysis. The research results concluded: (1) human resource competency has an influence on the quality of village financial reports in Tungkal Ilir, Bram Itam and Betara Districts, Tanjung Jabung Regency; (2) The use of information technology has an influence on the quality of village financial reports in Tungkal Ilir, Bram Itam and Betara Districts, West Tanjung Jabung Regency; (3) the internal control system is not able to moderate the competence of human resources on the quality of village financial reports in Tungkal Ilir, Bram Itam and Betara Districts, West Tanjung Jabung Regency and (4) the internal control system is not able to moderate the use of information technology on the quality of sub-district village financial reports.

Keywords: Human Resource Competency, Internal Control System, Utilization of IT, Quality of Village Financial Reports

1. INTRODUCTION

Village government is the smallest scope of the government of the Republic of Indonesia. Nevertheless, village government has a fairly large role in development. If development in each village can run optimally, then the goal of the central government to create equal distribution of welfare and fair development will be realized. However, the phenomena that exist in several regions in Indonesia are not in accordance with the expectations of the central government. The role of regional government is quite vital in regional autonomy because villages have the right to freedom to make regulations and rules in village life before being regulated by the regional government. Village governments are required to be able to manage and regulate their own affairs. This includes planning, implementation, administration, accountability and usefulness of programs managed by the village government. Law No. 6 of 2014 and its implementing regulations have mandated village governments to be more independent in managing government and the various natural resources they own, including the management of village finances and assets. Providing greater opportunities for villages to manage their

own governance and equitable development implementation is expected to improve the welfare and quality of life of village communities (Wardani & Andriyani, 2017).

Nationally, the Central Government has budgeted quite large Village Funds to be given to Villages. In 2018, the Central Government has budgeted IDR 60 trillion, the realization of village funds that have been disbursed reached IDR 59.86 trillion or 98.77%. In 2019, Village Funds increased to IDR 70 trillion, with the realization of village funds that had been disbursed up to August 2019 reaching IDR 42.2 trillion or 60.29%, and in 2020 it increased again to IDR 72 trillion. The village funds were transferred to 434 Regency/City Regional Governments in 33 provinces, with a total of 74,953 villages. This does not include other funds that flow to villages in the form of village fund allocations, financial assistance, profit sharing funds or other assistance (grants) for rural development. If we look at the average village funds received per village over the last three years, it shows an increasing trend. In 2018 each village received an average village fund allocation of IDR 800.4 million, in 2019 it was IDR 933.9 million, and in 2020 it was IDR 960.6 million (www.bpkp.go.id).

This is the case with West Tanjung Jabung Regency, which is one of the regencies that receives village funds from the central government.

Table 1. Village Fund Allocation in West Tanjung Jabung Regency

No.	Year	Amount of Village Fund Allocation (Rp)
1	2018	81,116,779,500
2	2019	108,499.594.423
3	2020	78,257,967,731
4	2021	82.091.762.831
5	2022	86,925,206,600

Source: SPSS v.26

The increase in village funds every year is an indicator of the central government's seriousness in developing villages so that villages can be independent and community members can directly enjoy the impacts of development. However, increasing village funds every year also increases the risk of budget misappropriation at the village government level. The risk of budget misappropriation is also increasingly spreading to the village level in line with the spread of use of the state budget to the village level. So, it is a requirement that if there is fiscal decentralization from the central government to village governments, there will be a risk of decentralization misappropriating the management of the state budget. The implementation of budget management is not followed by the principles of Information Technology Utilization, transparency and participation which are the main obstacles to increasing the risk of misappropriation of village funds (Indonesia Corruption Watch, 2018).

In the Minister of Home Affairs Regulation (Permendagri) no. 20 of 2018 concerning village fund management, it is explained that the village financial management cycle starts from the planning and budgeting, implementation and administration, reporting and accountability stages of village financial management. The principles of village financial management are transparency, accountability, participatory and carried out in an orderly and budgetary manner. Village heads and village officials are required to understand the Main Duties and Functions (*tupoksi*) to improve the

performance of the village government so that it becomes better. So that the programs planned by the village government run effectively and efficiently.

The phenomenon of delays in distributing Village Funds in West Tanjung Jabung Regency also indicates that village government performance is still lacking, one of which is related to reports on the realization of absorption and output achievements of village funds. as per Minister of Finance Regulation number 205/PMK. 07/2019 concerning the management of village funds, one of the conditions for the disbursement of village funds is the village regulation APBDes. On At the end of January 2020, only 54 villages in West Tanjung Jabung Regency had submitted APBDes as a condition for applying for phase I village fund disbursement. Meanwhile, in September 2020 phase II, 8 out of 114 villages in West Tanjung Jabung Regency had been able to disburse Village Funds. (DD) "The remaining 106 villages have not been able to disburse phase II DD in 2020. Furthermore, in 2021 there are 64 villages that have not reported the realization and output of village funds (DD) from 114 villages in 13 sub-districts and in 2022 the phase 1 out of a total of 114 villages in West Tanjung Jabung Regency, so far only 50 villages have disbursed village funds. Based on this phenomenon, the village government in West Tanjung Jabung Regency has not been fully able to maintain consistency and be timely in submitting realization reports and APBDes accountability reports every year.

The quality of financial reports can be seen from the qualitative characteristics of financial reports. According to Government Regulation Number 71 of 2010 concerning Government Accounting Standards, the qualitative characteristics of government financial reports which are prerequisites in the Government Accounting Conceptual Framework include understandability, relevance, reliability and comparability. If the information contained in regional government financial reports can meet the criteria for the qualitative characteristics of government financial reports as stated in Government Regulation Number 71 of 2010, this means that regional governments can improve the quality of regional government financial reports (Diani, 2014).

Many factors influence the quality of Village Financial Reports, including resource competency. Human To produce quality financial reports, competent Human Resources (HR) are needed. Human resource competency is very necessary so that the financial reports produced can meet the qualitative characteristics of financial reports so that the resulting financial reports can be of high quality and useful in terms of decision making. In this case, human resource competence has a very important role in planning, implementing and controlling the entity concerned. Competence is the basis for a person to achieve high performance in completing their performance. Human resources who do not have competence will not be able to complete their work efficiently, effectively and economically. In this case the work produced will not be on time and there will be a waste of energy. By having competent human resources, time for preparing financial reports will be saved because these human resources already have the knowledge and understanding of the things that need to be done (Rahman & Permatasari, 2021). Based on research conducted by Wulandari & Jatmiko (2022) and Magdalena et al. (2022). it was found that human resource competency has a positive effect on the quality of financial reports, but the research conducted by Suhardjo (2019) obtained different results, namely that human resource competency did not have a significant effect on the quality of financial reports.

The use of technology is also able to influence the quality of financial reports in terms of reliability and accuracy of presentation. Utilizing a set of tools to help produce, manipulate, store and convey information is said to be an activity utilizing information technology. For the government, the obligation to utilize information technology has been regulated in Government Regulation no. 56 of 2005. According to Siallagan (2020), the use of information technology can increase effectiveness and efficiency and increase the accuracy of information for local governments. The process of processing transaction data and presenting government financial reports is getting faster along with the use of technology. Timely presentation of financial reports means that the information provided does not lose value. In inputting financial data, accounting applications can help the process of recording, presenting, analyzing and reporting regional government finances faster, making it useful in decision making. Results of research conducted by Wardani & Nugroho (2018) the result state that the use of information technology has a positive and significant effect on quality financial statements. Meanwhile research which done by Fuadah & Setiyawati (2020) obtained different results, namely that the use of information technology does not have a significant effect on the quality of financial reports.

Based on the various phenomena and descriptions above, researchers are interested in studying in more depth the factors that influence the quality of Village Financial Reports by conducting research entitled "The Influence of Human Resource Competency and the Use of Information Technology on Village Government Financial Reports with the Control System as a Moderating Variable.

Based on the background and phenomena described above, this research aims to:

- 1) To analyze the influence of human resources on the quality of village government financial reporting;
- 2) To analyze the influence of the use of information technology on the quality of village government financial reporting;
- 3) To analyze the influence of the Internal Control System in moderating human resource competence on the quality of Village Government financial reports;
- 4) To determine the influence of the Intent Control System in moderating the use of information technology on report quality Village Government finances.

2. LITERATURE REVIEW

2.1. Stewardship Theory

Stewardship theory is a theory where the interests of the organization are more important importance, focus on organizational goals and no desires and motivation to prioritize individual goals (Donaldson & Davis, 1991). Assumption Which related with theory stewardship created based on human nature, namely being trustworthy, able to act with responsibility, have integrity, and applies Honest to party the other, hereby stewardship theory argues that management as stewards prioritize the interests of the public in general or shareholders in particular and can behave well (Murwaningsari, 2009).

2.2. Quality of Village Government Financial Reports

Regulation Government Number 71 Year 2010 about Standard Government Accounting (SAP) states that financial reports are structured reports relating to financial position and transactions carried out by the reporting entity (Government Regulation No. 71 year 2010). Information accountancy very useful and must understood, document most

importantly Which connect information accountancy is report annual. Objective report finance sector public is as means accountable implementation, its function is to report the results of operational activities, report long-term financial condition and resources. Use of public sector financial information for the purpose of make government which own not quite enough answer, for help in political, social and resource allocation decision making efficient (Rich, 2018).

2.3. Use of Technology and Information

Technology information is technology which used for process data, processing, get, compile, keep, manipulate data in various ways to produce information quality, namely information that is relevant and timely for retrieval decisions in various organizations (Mahayani et al., 2017). Technology system information is very easy to access, and provides information Accurate later will impact on implementation operation in all sector. Leung & Adams (2009) stated that in public organization technology known as e-government is related to use of technology that can improve internal effectiveness, processes and transactions are more efficient.

Utilization of information technology is the optimal use of computers (mainframe, mini, micro), software, databases, networks (internet, intranet), electronic commerce, and other types related to technology for the activities of preparing financial reports for the Village Government (Sapartiningsih, et al, 2018). Indicators for measuring the use of information technology are: 1) Use of application software; 2) Computerized accounting process; 3) Integrated accounting and managerial reports; 4) Employees are able to operate computers well; 5) Employees can take advantage of the advantages of computers in inputting data quickly.

2.4. Internal Control System

The definition of internal control according to the Committee of Sponsoring Organization (COSO) is as follows: Internal control is a process carried out by an entity's board of directors, management and other personnel designed to provide adequate assurance regarding the achievement of objectives in the following categories: a. Reliability of financial reporting, b. Operation effectiveness and efficiency, and c. Compliance with applicable laws and regulations and Government Regulation no. 60 of 2008 explains the control system Internal is a process that is integral to the actions and activities carried out in a way Keep going continuously by leader and all over employee for give confidence adequate on achieved objective organization through activity Which effective and efficient, reliability of financial reporting, security of state assets and obedience to statutory regulations.

Internal control consists of the policies and procedures used in achieving targets and guaranteeing or providing financial information Which reliable, as well as ensure he obeyed law and regulation Which applies. Based on Republic of Indonesia Government Regulation Number 60 of 2008 about Internal Control System (SPIP) state that there is a number of elements in Internal Control System that is as follows: 1) Control Environment, 2) Risk Assessment, 3) Control Activities, 4) Information and Communication, 5) Monitoring.

2.5. Research Model

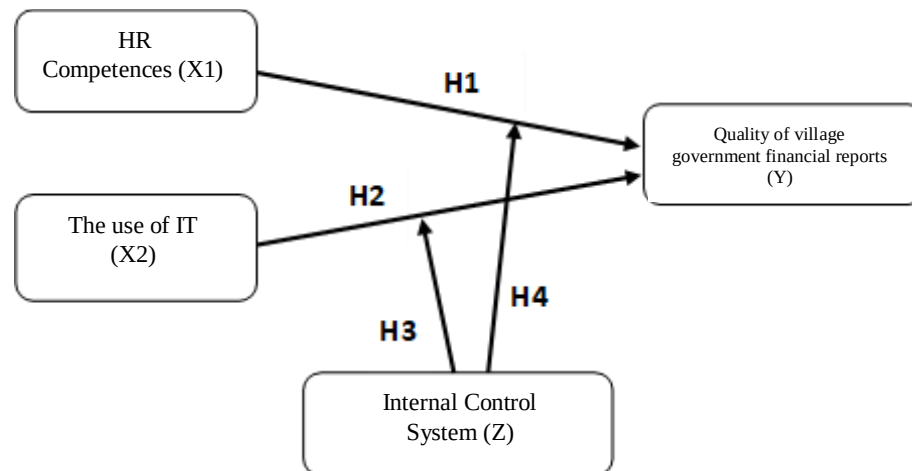


Figure 2. Research Model

Source: Processed data, 2023

2.6. Hypothesis

The hypothesis related to this research is as follows:

- H1: Human resource competency has a positive and significant effect on the quality of village government financial reports.
- H2: The use of information technology has a positive and significant influence on the quality of village government financial reports.
- H3: The Internal Control System is able to moderate human resource competency on the quality of Village Government financial reports.
- H4: The Internal Control System is able to moderate the use of Information Technology on the quality of Village Government financial reports.

3. RESEARCH METHODS

3.1. Population and Sample

According to Sugiyono (2013), population is a generalizable area consisting of objects or subjects with certain characteristics and characteristics that researchers want to study and then draw conclusions. Meanwhile, the sample is part of the size and characteristics of the population. The total population in this study was 22 villages spread across Tungkal Ilir District, Bram itam and Betara Districts in West Tanjung Jabung Regency and the sample used in this research used a purpose sampling technique, namely sampling with certain considerations. The considerations referred to are village officials who are responsible for managing village funds, namely: (1) village head, (2) village secretary and (3) village treasurer (4) BPD. The number of respondents for this research was 3 respondents from 22 villages consisting of: village head, village secretary and village treasurer and BPD (4 X 22= 88).

3.2. Research Methods and Approaches

According to Sugiyono (2013), research methods are basically a scientific way to obtain data with the aim of finding, proving and developing knowledge so that it can be used to understand, solve and anticipate problems. The type of research used in this

research is quantitative methods, methods research based on a specific population or sample, which is applied to the collection and use of several research instruments and analysis of quantitative or statistical data.

3.3. Research Methods and Approaches

This research analyzes the direct influence of Human Resource Competency and Use of Technology on Village Government Financial Reports with an Internal Control System as Moderation. This research was carried out with descriptive analysis using Partial Least Square - Structural Equation Modeling (PLS-SEM).

3.4. Data Sources and Data Collection Tools

According to Sugiyono (2019) a questionnaire is a data collection technique by giving respondents a set of written questions to answer. Data collection was obtained by distributing questionnaires directly and also via Google form to respondents. The research questionnaire as a research instrument is a technique used to collect primary data from respondents who are the research sample. In the measurement, each respondent is asked for their opinion on a question using a Likert scale.

Table 2. Likert Scale

No.	Category	Score
1	Strongly Agree (SA)	4
2	Agree (A)	3
3	Disagree (D)	2
4	Strongly Disagree (SD)	1

Source: Processed data, 2023

3.5. Data Analysis Technique

Research data analysis uses quantitative data analysis techniques. The statistics used are Structural Equation Model-Partial Least Square (SEM-PLS). Exploratory data processing program using SmartPLS 3.0. The SEM-PLS model in this research is: SEM-PLS analysis using moderator variables (Ghozali, & Ratmono, 2017) : 1) SEM-PLS Analysis Using Moderator Variables ; 2) Analysis of Measurement Models (Outer Models) ; 3) Analysis of the Measurement Model (Inner Model) ; 4) Hypothesis Testing.

4. RESULTS AND DISCUSSION

4.1. Data Description

Researchers obtained data by distributing questionnaires to several village officials in the West Tanjung Jabung Regency area in 3 (three) sub-districts, namely Tungkal Ilir District, Bram Itam District and Betara District, where the total number of samples taken was 22 villages as research samples. Data obtained through questionnaire Which shared to respondents, namely the village head, village secretary and village treasurer as well as the BPD.

Table 3. Number of Returned Questionnaire Data

No	Information	Number of Questionnaires	Percentage (%)
1	Questionnaires distributed	88	100%
2	Returned questionnaire	88	100%
3	Unreturned questionnaires	0	0
4	Questionnaires that can be processed	88	100%

Source: Processed questionnaire data, 2023

Table 3 shows that of the 88 total questionnaires has distributed, there is a total of 88 questionnaires Which return with level percentage of 100%. Of the returned questionnaires, there were 0 questionnaires Which No returned with level percentage of 0 %, so that whole questionnaire Which return And Which can process a total of 88 questionnaires with magnitude level percentage 100 %.

4.2. Respondent Characteristics

Based on gender, the respondents in this research most types male genital namely 68 respondents with a percentage level of 77%, regardless of gender Woman as many as 23 respondents with level percentage by 23%.

Based on age respondent, respondents on study aged between 26 – 30 years that is as many as 19 respondents with a percentage rate of 22%, followed by those aged between 31 – 35 years as many as 20 respondents with level percentage as big as 23%, 36 – 40 years as many as 17 respondents with level percentage by 19 %, Then aged 41-50 years as many as 15 respondents with a percentage level of 17 %, and then aged > 51 years as many as 17 respondents with a level percentage by 19%.

Based on the respondent's education level, majority respondents in study average finish high school education level, namely 47 respondents with a percentage level as big as 53%, level education D3 as many as 2 respondents with a percentage level of 2%, then level education S1 as much 38 respondents with level percentage amounting to 43 %, and finally the level 1 master 's degree education respondents with a percentage rate of 1%.

Based on length of service, respondents in this study had an average working period of 1-5 years as many as 42 respondents with a percentage rate of 49%, working period for 6-10 years as many as 39 respondents with a percentage rate of 33%, and 21 respondents have worked for > 10 years with a percentage level as big as 18%.

4.3. SEM PLS Test Results

Before testing the hypothesis, the quality of the data used in this research was first tested. This test was used to ensure that the prerequisites for testing this research were met.

4.3.1. Outer Model Analysis

Data processing techniques using the PLS-based SEM method require 2 steps to assess model fit of the research model (Ghozali & Ratmono, 2017). One of them is external model analysis. External model analysis tests the possibility of using the measurements used as valid measurements. There are several indicators in external model analysis, including:

a) Convergent Validity

Table 4. Average Variance Extracted (AVE) Analysis Results

Variable	Average Variance Extracted (AVE)	Information
HR Competency (X1)	0.551	Valid
Quality of Village Financial Reports (Y)	0.549	Valid
IT Utilization (X2)	0.600	Valid
Internal Control System (M)	0.552	Valid

Source: Processed SEM PLS 3.0 data, 2023

Table 4 shows that the Average Variance Extracted value of all construct variables in this research has a value greater than 0.5 ($AVE > 0.05$), thus it can be concluded that all construct variable instruments used in this research have met the convergent validity testing criteria.

b) Discriminant Validity

Table 5. Testing the Discriminant Validity of the Fornell-Larcker Approach

Variable	HR Competency (X1)	Quality of Village Financial Reports (Y)	IT Utilization (X2)	Internal Control System (M)
HR Competency (X1)	0.742			
Quality of Financial Reports (Y)	0.577	0.741		
IT Utilization (X2)	0.510	0.678	0.775	
Internal Control System (M)	0.504	0.653	0.704	0.743

Source: Processed SEM PLS 3.0 data, 2023

Table 5 shows that the correlation value of the construct variable matrix itself is greater than the value of the construct variable matrix with other constructs. It is known that the correlation value of the internal control system matrix is 0.743, which is greater than the correlation value of other construct variable matrices. Likewise, the same results are shown in the correlation matrix of the Human Resources competency variable which is 0.742. The matrix correlation value for the Information Technology Utilization variable is 0.775. The correlation value for the Quality of Village Financial Reports matrix is 0.741.

Table 6. Discriminant Validity Testing Cross Loading Approach

Instrument Code	HR Competency (X1)	IT Utilization (X2)	Quality of Village Financial Reports (Y)	Internal Control System (M)
X1.1	0.700	0.258	0.394	0.251
X1.10	0.754	0.486	0.460	0.434
X1.11	0.747	0.219	0.248	0.293
X1.2	0.771	0.427	0.455	0.319

Instrument Code	HR Competency (X1)	IT Utilization (X2)	Quality of Village Financial Reports (Y)	Internal Control System (M)
X1.3	0.760	0.421	0.411	0.362
X1.4	0.713	0.236	0.290	0.205
X1.5	0.781	0.398	0.474	0.440
X1.6	0.743	0.510	0.565	0.436
X1.7	0.733	0.419	0.384	0.436
X1.8	0.728	0.297	0.454	0.462
X1.9	0.734	0.330	0.405	0.364
X2.1	0.331	0.730	0.490	0.503
X2.10	0.453	0.712	0.429	0.494
X2.2	0.447	0.766	0.430	0.533
X2.3	0.436	0.831	0.514	0.535
X2.4	0.319	0.709	0.435	0.468
X2.5	0.302	0.769	0.601	0.565
X2.6	0.383	0.869	0.609	0.609
X2.7	0.357	0.793	0.528	0.508
X2.8	0.425	0.791	0.644	0.643
X2.9	0.536	0.766	0.483	0.556
Y1	0.353	0.557	0.764	0.430
Y2	0.526	0.430	0.709	0.429
Y3	0.597	0.512	0.755	0.628
Y4	0.489	0.486	0.817	0.456
Y5	0.219	0.494	0.708	0.430
Y6	0.398	0.490	0.707	0.486
Y7	0.347	0.499	0.732	0.442
Y8	0.418	0.543	0.727	0.524
M1	0.470	0.506	0.525	0.757
M10	0.421	0.676	0.600	0.743
M2	0.403	0.611	0.549	0.770
M3	0.312	0.651	0.538	0.755
M4	0.442	0.367	0.449	0.720
M5	0.233	0.452	0.333	0.743
M6	0.221	0.448	0.380	0.708
M7	0.309	0.527	0.404	0.730
M8	0.389	0.413	0.434	0.762
M9	0.451	-0.029	0.512	0.739

Source: Processed SEM PLS 3.0 data, 2023

Table 6 shows the cross loading value of the instrument for each construct variable itself and the cross loading value of the instrument with other variables. The Fornell-Larcker Criterion postulate states that if the cross loading value of the instrument for a variable is greater than the cross loading value of the variable instrument with other variable instruments, then the construct variable has a very good discriminant value , meaning that the instruments for each variable are not correlated with each other.

It is known that each instrument in the construct variable tested has a value that is greater than the cross loading value of the other instruments. With the results of this cross loading test, it is concluded that the instruments for each variable are not correlated with each other. Thus, these results show that the construct variable has a very good discriminant value.

c) Composite Reliability

This research uses 2 approaches, namely Cronbach Alpha and Composite Reliability.

Table 7. Cronbach Alpha and Composite Reliability Testing

Construct Variables	Cronbach's Alpha	Composite Reliability	Conclusion
HR Competency (X1)	0.919	0.931	Reliable
Quality of Village Financial Reports (Y)	0.882	0.907	Reliable
IT Utilization (X2)	0.926	0.937	Reliable
Internal Control System (M)	0.911	0.925	Reliable

Source: Processed SEM PLS 3.0 data, 2023

Table 7 shows that the Cronbach Alpha and Composite Reliability values are greater than the Rule of Thumb values, so it can be concluded that each construct variable in this research has good reliability values. In other words, all construct variables have reliable values.

4.3.2. Structural Equation Modeling Analysis (Inner-Model)

a) Predictive Relevance Testing

Predictive relevance testing was carried out to see the level of feasibility of the observations carried out in this study.

Table 8. Predictive Relevance Test Results

Endogenous Variables	Q ²	Conclusion
Quality of Village Financial Reports (Y)	0.274	Good

Source: Processed SEM PLS 3.0 data, 2023

Table 8 shows a Q² value that is greater than 0. The quality of Village Financial Reports has a Q² value of 0.274. This value is quite large, so it can be concluded that the observations and parameter estimate in the Village Financial Report Quality model are good. The overall results of testing on predictive relevance have been good, because all Q² values in each model are greater than 0. Therefore, this test can be carried out further.

b) Model Fit Testing

Table 9. Model Fit Test Results

Measurement Instruments	Saturated Model	Estimated Model	Conclusion
Standardized Root Mean Square (SRMR)	0.100	0.100	Fit Model

Source: Processed SEM PLS 3.0 data, 2023

c) Coefficient of Determination

The analysis of the coefficient of determination (R^2) aims to determine the ability of exogenous construct variables to explain or form a model. The higher the value indicated by R^2 , the better the prediction results in the model. The results of this coefficient of determination (R^2) can be seen in following Table.

Table 10. Analysis of the Coefficient of Determination (R^2)

Endogenous Variables	R Square
Quality of Village Financial Reports (Y)	0.568

Source: Processed SEM PLS 3.0 data, 2023

Table 10 reveals that the R^2 value of this model is 0.568 or equal to 54.2%, meaning that the internal control system, human resource competency and use of information technology in explaining the quality of village financial reporting variables is 54.28%. These results provide a clear picture that the quality of Village Financial Reports in West Tanjung Jabung Regency is well formed when the perception of the Internal Control System, Human Resource Competency and Use of Information Technology is very good.

4.3.3. Hypothesis Testing Analysis

a) Testing Hypothesis Effects Between Variables

The results of hypothesis testing in this research are as follows:

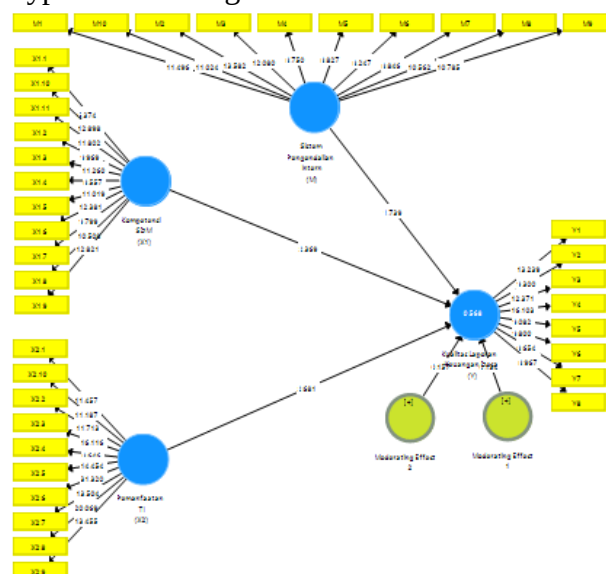


Figure 4. Path Coefficient Between Variables

Source: SEM PLS 3.0 data processed, 2023

In Figure above, it can be seen the significance of the influence and direction of influence between the exogenous variables and the endogenous variables. Exogenous variables influence endogenous variables when they have a model P-value that is smaller than 0.05 ($p < 0.050$) (Henseler et al., 2015). However, to make it easier to read the results of hypothesis testing in this research, they can be summarized in Table 11.

Table 11. Results of Path Coefficient Testing Between Variables

Construct Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
HR Competency_(X1) -> Village Financial Report Quality_(Y)	0.262	0.249	0.111	2,369	0.010
Utilization of IT_(X2) -> Quality of Village Financial Reports (Y)	0.353	0.378	0.132	2,681	0.004

Source: Processed SEM PLS 3.0 data, 2023

Table 11 shows that the results of Human Resource Competency have a positive and significant effect on the Quality of Village Financial Reports. This is indicated by the P-value of 0.010 which is smaller than 0.05. The amount of Human Resource Competency influencing the Quality of Village Financial Reports is 0.262 or equal to 26.2%. This means that Human Resource Competency has a positive and significant effect on Human Resource Competency for the Quality of Village Financial Reports.

b) Moderation Effect Hypothesis Testing

The results of this hypothesis testing can be seen in Table 12. following.

Table 12. Path Coefficient Test Results for Moderating Effects

Construct Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Moderating Effect 1 -> Quality of Village Financial Reports_(Y)	0.016	0.072	0.122	0.134	0.447
Moderating Effect 2 -> Quality of Village Financial Reports_(Y)	-0.021	-0.022	0.132	0.157	0.438

Source: Processed SEM PLS 3.0 data, 2023

Table 12 shows the results of testing the moderating influence hypothesis formed from this research model. The first test showed the results that there was no effect of Human Resource Competency on the Quality of Village Financial Reports if moderated by the Internal Control System. This conclusion can be seen from the significance value of 0.446 which is greater than 0.05. Judging from the magnitude of the effect, it is known to be 0.016 or equal to 16%. This means that the Internal Control System does not

significantly moderate Human Resource Competency on the Quality of Village Financial Reports.

4.4 Discussion

4.4.1. The Influence of Human Resource Competency on the Quality of Village Financial Reports

From the results of the hypothesis testing analysis, it is known that the influence of human resource competence on the quality of financial reports has a path coefficient of 0.262. This influence has a probability value (p-values) of $0.010 < 0.05$, meaning that human resource competency has a significant effect on the quality of Village Financial Reports in the West Tanjung Jabung district government.

The results of this research prove that human resource competency can influence the quality of village financial reports in West Tanjung Jabung. This shows that respondents generally realize that human resource competence is really needed, where village officials understand the Home Affairs Minister No. 20 of 2018 concerning village financial management and are able to prepare and present reports on the realization of the implementation of the village APB well. So it will have implications for improving the quality of the village financial reports produced. Because financial reports are products produced by human resources, therefore, to improve quality financial reports, competent resources are needed in their fields.

This discovery is in line with results study conducted by Sulyantini & Kusmuriyanto (2017). who stated that human resource competency has a positive effect on the quality of financial reports. This is not the case, research conducted by Suhardjo (2019) obtained different results, namely that human resource competency did not have a significant effect on the quality of financial reports.

4.4.2. The Effect of Using Information Technology on the Quality of Village Financial Reports

From the results of the hypothesis testing analysis, it is known that the influence of the use of information technology on the quality of financial reports has a path coefficient of 0.353. The probability value (p-values) is $0.004 < 0.05$, meaning that the use of information technology has a significant effect on the quality of village financial reports in West Tanjung Jabung district.

The results of this research prove that the use of information technology can influence the quality of village financial reports in West Tanjung Jabung. This shows that information technology has been utilized well and optimally by village officials in improving the quality of village financial reports, including the existence of an Internet network, maintenance and repair of computers as well as the use of the Siskeudes (Village Financial System) software application in administering and preparing village financial reports. , in this way the resulting financial reports can meet the expected information and be able to improve the quality of results and the availability of timely financial reports.

The results of this research are in line with those conducted by Soleh et al, (2020) the results of which state that the use of information technology has a positive and significant effect on the quality of financial reports. Meanwhile, research conducted by Fuadah & Setiyawati (2020) which obtained different results, namely that the use of information technology does not have a significant effect on the quality of financial reports.

4.4.3. Internal Control System Moderates the Effect of Human Resource Competency on the Quality of Village Financial Reports

From the results of the hypothesis testing analysis, it is known that the influence of human resource competence on the quality of financial reports is moderated by the internal control system, the path coefficient is 0.016. This influence has a probability value (p-values) of $0.447 > 0.05$, meaning that the internal control system is unable to moderate the influence of human resource competency on the quality of village financial reports in West Tanjung Jabung district.

The results of this research prove that the internal control system does not moderate the influence of human resource competence on the quality of village financial reports in West Tanjung Jabung district or it can be said that the internal control system variable does not strengthen or weaken the relationship between human resource competence and the quality of village financial reports. This is because the internal control system does not yet play an effective role in maximizing human resource competence, where there are still many employees who do not have an accounting education background who are placed in financial management positions in each village government as well as a lack of training in village financial administration and reporting.

This is in line with research by Aruan (2019) which states that the internal control system cannot moderate HR competency on the quality of financial reports. This is not the case with research conducted by Faradisa & Khafid (2017) showing that the internal control system is able to moderate the influence of the quality of human resources on the quality of financial reports.

4.4.4. Internal Control System Moderates the Effect of Information Technology Utilization on the Quality of Village Financial Reports

From the results of the hypothesis testing analysis, it is known that the influence of the use of Information Technology on the Quality of Village Financial Reports is moderated by the government's internal control system which has a path coefficient of -0.021. This influence has a probability value (p-value) of $0.438 > 0.05$, meaning that the government's internal control system is unable to moderate the influence of the use of Information Technology on the Quality of Village Financial Reports in the West Tanjung Jabung district government.

The results of this research prove that the internal control system does not moderate the influence of the use of Information Technology on the quality of village financial reports in Tanjung Jabung Barat district or it can be said that the internal control system variables do not strengthen or weaken the relationship between the use of Information Technology and the quality of village financial reports. This is because the internal control system for the use of information technology has not been implemented optimally in the village government, where there is a lack of control and evaluation of the use of computers, internet networks and the use of village financial management applications. This result contrast to research conducted by Wardani & Nugroho (2018) which stated that the internal control system is able to moderate the use of information technology on the quality of financial reports.

5. CONCLUSIONS

Based on the research results and discussion, conclusions can be drawn in this research as follows 1). Human Resource Competency has a significant effect on the quality of village financial reports in West Tanjung Jabung Regency. 2). The use of Information Technology has a significant effect on the quality of village financial reports in West Tanjung Jabung Regency. 3). The Internal Control System is unable to moderate human resource competency on the quality of village financial reports in West Tanjung Jabung Regency. The internal control system is unable to moderate the Information Technology system on the quality of village financial reports in West Tanjung Jabung Regency.

Based on the research results submitted by the researcher, the researcher can provide the following suggestions: 1) For the village government in West Tanjung Jabung Regency, from the research results it is known that human resource competence in several villages in the West Tanjung Jabung Regency subdistrict is running well. It's just that there are several villages experiencing a decline in human resource competency when viewed from Knowledge, Skills and Attitudes. From these results, the author's advice to the Village Government in West Tanjung Jabung Regency is that efforts are needed to improve competence through training so that the quality of village financial reports can run well. And the use of Information Technology in each village must be given more attention in carrying out the quality of village financial reports and the role of supervision in each village through the Internal control system of village officials must play an important role in advancing the village and improving the welfare of the community as well as maintaining statutory regulations as a guide in preparing reports. finance. 2) For academics, this research can be used as additional reference material for the literature. 3) For other researchers, other researchers are encouraged to conduct further research involving a larger sample and can also add other variables while still focusing on the quality of village financial reports with the moderating variable of the village government's organizational commitment system as a moderating variable.

REFERENCES

- Aruan, H. M. G. (2019). Factors That Affecting The Quality Of The Simalungun District Government's Financial Statements With The Government Internal Control System As Moderating Variable. *International Journal of Public Budgeting, Accounting and Finance*, 2(4), 1-13.
- Diani, D. I. (2014). Pengaruh Pemahaman Akuntansi, Pemanfaatan Sistem Informasi Akuntansi Keuangan Daerah Dan Peran Internal Audit Terhadap Kualitas Laporan Keuangan Pemerintah Daerah (Studi Empiris pada Satuan Kerja Perangkat Daerah di Kota Pariaman). *Jurnal Akuntansi*, 2(1).
- Donaldson, L., & Davis, J. H. (1991). Stewardship theory or agency theory: CEO governance and shareholder returns. *Australian Journal of management*, 16(1), 49-64.
- Faradisa, A. N., & Khafid, M. (2017). The Effect of Competency and The Implementation of Standard on The Quality of Financial Statement with Control System as A Moderating Variable. *Accounting Analysis Journal*, 6(3), 394-406.

- Fuadah, H., & Setiyawati, H. (2020). The Effect of the implementation of transparency and accounting information systems on the quality of financial reports. *IJO-International Journal of Business Management (ISSN 2811-2504)*, 3(11), 01-12.
- Ghozali, I., & Ratmono, D. (2017). Analisis multivariat dan ekonometrika: teori, konsep, dan aplikasi dengan eview 10.
- Kai Pong Leung, T., & Adams, J. (2009). Explaining IT usage in government through "resistance to change". *Journal of Chinese Entrepreneurship*, 1(3), 176-192.
- Magdalena, A. C., Rapina, R., & Mulianto, M. (2022). How Does Internal Control and Competence of Human Resource Important in Financial Reporting?. *Jurnal Akuntansi*, 14(1), 13-22.
- Mahayani, N. P. L., Sulindawati, N. L. G. E., Ak, S. E., & Dewi, P. E. D. M. (2017). Pengaruh Kualitas Sumber Daya Manusia Bidang Akuntansi, Sistem Pengendalian Internal Dan Pemanfaatan Teknologi Informasi Terhadap Kualitas Laporan Keuangan (Studi Pada Koperasi Simpan Pinjam Di Kabupaten Jembrana). *JIMAT (Jurnal Ilmiah Mahasiswa Akuntansi) Undiksha*, 8(2).
- Murwaningsari, E. (2009). Hubungan corporate governance, corporate social responsibilities dan corporate financial performance dalam satu continuum. *Jurnal Akuntansi dan keuangan*, 11(1), 30-41.
- Rahman, A., & Permatasari, A. A. (2021). Pengaruh kompetensi sdm dan sistem akuntansi keuangan daerah terhadap kualitas laporan keuangan daerah. *Dialogue: Jurnal Ilmu Administrasi Publik*, 3(1), 14-22.
- Rich, R. F. (2018). *Social science information and public policy making*. Routledge.
- Sapartiningsih, D. (2018). Analisis Pengaruh Kompetensi Sumber Daya Manusia, Pemanfaatan Teknologi Informasi, Partisipasi Penganggaran Dan Pengawasan Terhadap Akuntabilitas Pengelolaan Dana Desa. *Jurnal akuntansi dan sistem teknologi informasi*, 14(1).
- Soleh, M., Sutarti, S., & Rosita, S. I. (2020, May). The Effect of Human Resources Quality and Technology Adoption on the Quality of Financial Reporting (Evidence from MSMEs in Bogor). In *2nd International Seminar on Business, Economics, Social Science and Technology (ISBEST 2019)* (pp. 199-203). Atlantis Press.
- Sugiyono, D. (2013). Metode penelitian pendidikan pendekatan kuantitatif, kualitatif dan R&D.
- Suhardjo, Y. (2019). Faktor-faktor yang mempengaruhi kualitas laporan keuangan pemerintah daerah (Studi kasus Pemerintah Kota Semarang). *Solusi*, 17(4).
- Suliyantini, L., & Kusmuriyanto, K. (2017). The Effect of Human Resources Competency and Accrual Based Government Accounting Standard Implementation on the Quality of Local Government Financial Statement with the Implementation of Internal Control System as a Mediating Variable. *Accounting Analysis Journal*, 6(1), 19-26.
- Wardani, D. K., & Andriyani, I. (2017). Pengaruh Kualitas Sumber Daya Manusia, Pemanfaatan Teknologi Informasi, Dan Sistem Pengendalian Intern Terhadap Keandalan Pelaporan Keuangan Pemerintahan Desa Di Kabupaten Klaten. *Jurnal Akuntansi*, 5(2), 88-98.
- Wardani, D. K., & Nugroho, S. P. (2018, July). The Impact of Information Technology on Financial Statement Quality: A Moderating Role of Internal Control System. In *1st International Conference on Advance & Scientific Innovation* (pp. 10-15).

Wulandari, G., & Jatmiko, B. (2022, January). The Influence of Human Resource Competency, Internal Control Systems, and Use of Information Technology on Quality of Village Financial Statements. In *International Conference on Sustainable Innovation Track Accounting and Management Sciences (ICOSIAMS 2021)* (pp. 158-163). Atlantis Press.

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).