

# Determination of Financial Management Accountability on Higher Education Performance

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**Abstract.** This study aims to analyze the effect of implementing accounting information systems, quality assurance systems, good university governance on financial management accountability and their impact on university performance. The object of research is a private university in North Sumatra. The population used in this study was 204 private universities with a purposive sampling technique. Data was obtained by distributing questionnaires and interviews with respondents. Data analysis used Structural Equation Modeling (SEM) using the Partial Least Square (PLS) approach. The results of the study show the influence of the implementation of accounting information systems, quality assurance systems, and good university governance on financial management accountability and the application of accounting information systems, quality assurance systems.

**Keywords:** Financial, Management, Accountability, Accounting Information Systems

## 1 Introduction

In Indonesia's national education system, law number 20 of 2003 stipulates higher education as the highest level of education. Higher education has many levels, such as diploma, bachelor's, master's, doctoral, professional, and specialist. The government and society can provide higher education. Regulations that guarantee the quality of higher education are made to improve the performance of higher education. Law number 12 of 2012 concerning higher education, Article 52 Paragraph 1.

The accreditation results of the National Accreditation Board for Higher Education (BAN-PT) show how the quality of higher education and the performance of higher education institutions in Indonesia are influenced by effective financial management.

Financial management accountability means complying with applicable regulations, producing accurate financial reports, and complying with all applicable laws. The objective of financial statement accountability is money received, stored, and used by government agencies. Organizations, especially government organizations, must report the results of their work programs. This is done so that users of financial statements can assess how effective and efficient they are or vice versa. Financial management is one of many viewpoints that can be used to assess accountability. Financial statements are created by an organization to show the public that it is responsible for its operations [1].

Financial management has developed rapidly. In Indonesia, the development of public organizations shows an increasing need for accountability and transparency in public institutions, including state universities. One of the responsibilities of an organization is accountability, which means that the organization regularly presents work program performance through certain media. Based on the public's right to know and receive explanations about the collection of resources and their use, accountability is the basis of organizational financial reporting [2].

The results show that many private universities in North Sumatra experienced problems and had their operational permits terminated for several reasons, including financial management accountability for performance. As a result, these private universities are no longer able to pay their operating costs.

Every university in Indonesia focuses on financial management performance accountability. The quality of financial reports contributes to the accountability of financial management performance [3]. Financial reports that are relevant, credible, easy to understand, and comparable. This study was conducted to evaluate aspects that influence the performance of financial management and accountability on the performance of private universities in Indonesia. Internal quality assurance systems, accounting information systems, and the commitment of foundation leaders are several factors that influence the accountability of private higher education financial management. Previously, researchers had conducted research on the components that influence accountability and their impact on performance.

## **2 Literature Review**

### **2.1 Accounting Information Systems**

According to [4] An accounting information system is a system that can collect, record, store, and process data to produce information for decision-makers. This includes people, procedures and instructions, data, software, information technology infrastructure, internal controls, and security measures.

### **2.2 Quality Assurance System**

A quality assurance system (Quality Assurance System) is a framework used by higher education institutions to ensure that education and service quality standards are met. This system includes various elements, including planning, implementing, measuring, and continuous improvement [5].

### **2.3 Good University Governance**

Good University Governance has been defined in various ways by various researchers. According to [6] Good University Governance refers to a good governance framework within a university, which includes accountability, transparency, participation, and fairness in decision-making. Meanwhile, [7] stated that GUG is an approach that integrates ethics, efficiency, and justice in university management.

## 2.4 Financial Management Accountability

Accountability is defined as the relationship between those who control and regulate the entity and those who have formal power over those controlling parties. In this case, a third party is also required who is responsible for provide reasonable explanations or reasons for all activities carried out and business results obtained in connection with the implementation of a task and the achievement of a particular goal [8].

Accountability can be viewed from various perspectives: an accounting perspective as stated by [1] that the accountability of a government entity can be divided into four groups, namely accountability for: 1. Financial resources 2. Compliance with legal rules and administrative policies 3. Efficiency and economics of an activity 4. Results of government programs and activities as reflected in achievements purpose, benefits, and effectiveness.

## 2.5 Higher Education Performance

The performance of private universities can be measured using several indicators such as quality of education, quality of lecturers, quality of students, and quality of facilities. Several references that can be used in discussing the performance of private universities include evaluations of the performance of private universities, descriptions of the performance of lecturers at private universities in Indonesia, coordination performance of private universities in Region II in carrying out college coaching, and literature reviews on the performance of universities.

## 2.6 Conceptual Framework and Hypotheses

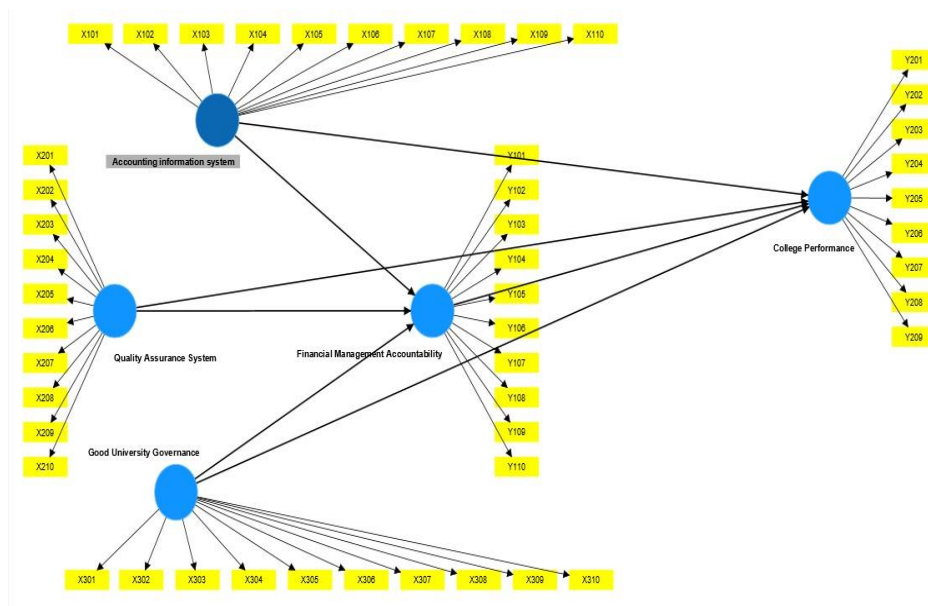


Fig. 1. Conceptual Framework

**Hypothesis:**

1. The application of accounting information systems affects the accountability of financial management.
2. The quality assurance system influences financial management accountability.
3. Good University Governance influences the accountability of financial management
4. Financial management accountability influences higher education performance.
5. The application of accounting information systems affects the performance of tertiary institutions.
6. The quality assurance system affects the performance of tertiary institutions.
7. Good University Governance influences higher education performance.
8. Implementing accounting information systems influences higher education performance through financial management accountability.
9. The quality assurance system affects the performance of tertiary institutions through financial management accountability.
10. Good University Governance influences university performance through financial management accountability.

**3 Research Methodology**

**3.1 Types of Research**

Quantitative research can be used to measure how much influence financial management accountability has on higher education performance. This research can be carried out using the survey method with correlational analysis techniques to determine the influence of the dependent variable and independent variables [9].

**3.2 Research Sample**

The population in this study was 204 private universities in North Sumatra. Sample determination was carried out using the purposive sampling method by determining the criteria for sampling. Thus, a sample size of 76 private universities was obtained.

**3.3 Data Analysis Methods**

Research methods that can be used to determine the determination of financial management accountability on university performance include quantitative research using survey methods, primary data collection through questionnaires, and data analysis using SmartPLS 4.0.

Testing the hypothesis can be seen from the t-statistic value to indicate the level of significance. To test the hypothesis using statistical values, for alpha 5% the t-statistic value used is greater than 1.96 through the bootstrapping process. So the criteria for accepting/rejecting the hypothesis are that Ha is accepted and H0 is rejected when the t-statistic is > 1.96. To reject/accept the hypothesis using probability, Ha is accepted if the p value <0.05 [10].

Financial Management Accountability=  $\beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$ .....(1)

College Performance Tall=  $\beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$ .....(2)

Where :

$\beta_{1-3}$  : coefficientpath

$X_1$  : accounting information system

$X_2$  : Quality assurance system

X<sub>3</sub> : Good University Governance  
 E : Error

#### 4 Research Results and Discussion

The research results were obtained as follows:

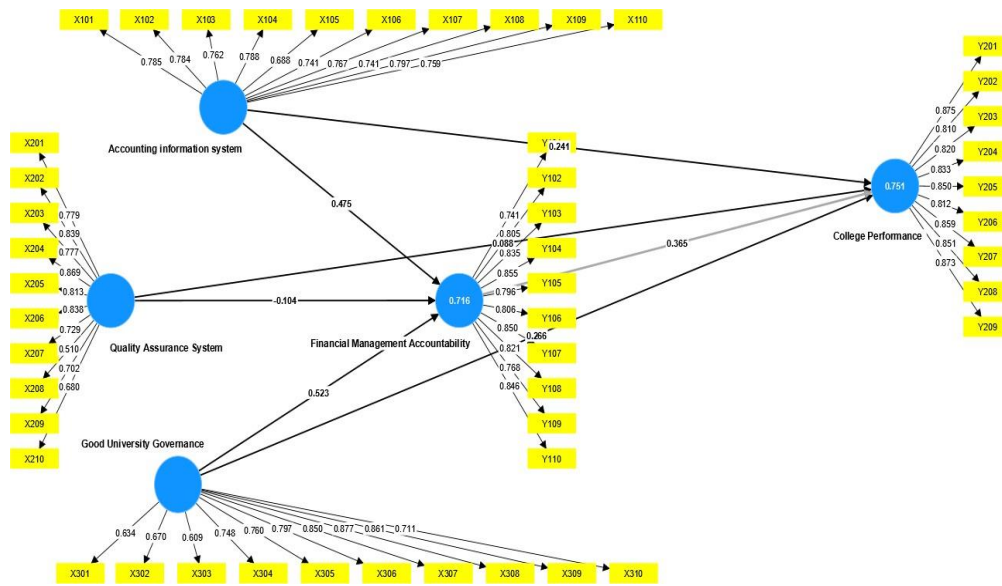


Fig. 2. PLS Algorithm Calculation Output Display

Table 1. Reliability Test Results

	Cronbach's alpha	Keandalan komposit (rho_a)	Keandalan komposit (rho_c)	Rata-rata varians diekstraksi (AVE)
Accounting information system	0.919	0.922	0.932	0.580
College Performance	0.949	0.950	0.957	0.711
Financial Management Accountability	0.943	0.944	0.951	0.661
Good University Governance	0.915	0.922	0.930	0.573
Quality Assurance System	0.916	0.924	0.931	0.578

Based on Figure 1 and Table 1, the measurement model (outer model) can be evaluated, namely by testing convergent validity, discriminant validity and reliability.

Table 2. R-Square Test Results

	R-square	Adjusted R-square
College Performance	0.751	0.736
Financial Management Accountability	0.716	0.703

Based on Table 2, the R-Square in the model is 0.736 (73.6%) and 0.703 (70.3%), meaning that the independent variable is said to be able to explain the dependent variable. The rest is influenced by other variables that are not included in the research model.

**Table 3. T-statistics values of direct effects**

	Sampel asli (O)	Rata-rata sampel (M)	Standar deviasi (STDEV)	T statistik ( O /STDEV)	Nilai P (P values)
Accounting information system → College Performance	0.241	0.237	0.099	2.425	0.015
Accounting information system → Financial Management Accountability	0.475	0.477	0.107	4.428	0.000
Financial Management Accountability → College Performance	0.365	0.358	0.128	2.854	0.004
Good University Governance → College Performance	0.266	0.269	0.111	2.396	0.017
Good University Governance → Financial Management Accountability	0.523	0.525	0.084	6.241	0.000
Quality Assurance System → College Performance	0.088	0.094	0.091	0.969	0.333
Quality Assurance System → Financial Management Accountability	-0.104	-0.106	0.091	1.137	0.256

**Table 4. Indirect effect t–t-statistic values**

	Sampel asli (O)	Rata-rata sampel (M)	Standar deviasi (STDEV)	T statistik ( O /STDEV)	Nilai P (P values)
Accounting information system → Financial Management Accountability → College Performance	0.173	0.172	0.075	2.300	0.021
Good University Governance → Financial Management Accountability → College Performance	0.191	0.188	0.074	2.593	0.010
Quality Assurance System → Financial Management Accountability → College Performance	-0.038	-0.038	0.036	1.039	0.299

1. Implementing an accounting information system affects the accountability of financial management. This can be seen from the p-value of  $0.015 < 0.05$ , so the hypothesis is accepted
2. The quality assurance system has no effect on financial management accountability. This can be seen from the p-value of  $0.256 > 0.05$ , so the hypothesis is accepted.
3. Good University Governance influences the accountability of financial management. This can be seen from the p-value of  $0.000 < 0.05$ , so the hypothesis is accepted.
4. Financial management accountability influences higher education performance. This can be seen from the p-value of  $0.004 < 0.05$ , so the hypothesis is accepted.
5. The application of accounting information systems affects the performance of tertiary institutions. This can be seen from the p-value of  $0.000 < 0.05$ , so the hypothesis is accepted.
6. The quality assurance system has no effect on higher education performance. This can be seen from the p-value of  $0.333 > 0.05$ , so the hypothesis is accepted.
7. Good University Governance influences higher education performance. This can be seen from the p-value of  $0.017 < 0.05$ , so the hypothesis is accepted.
8. Implementing accounting information systems influences higher education performance through financial management accountability. This can be seen from the p-value of  $0.021 < 0.05$ , so the hypothesis is accepted.
9. The quality assurance system has no effect on higher education performance through financial management accountability. This can be seen from the p-value of  $0.299 > 0.05$ , so the hypothesis is accepted.
10. Good University Governance influences higher education performance through financial management accountability. This can be seen from the p-value of  $0.010 < 0.05$ , so the hypothesis is accepted.

## 5 Conclusions and Suggestions

The results of this study show that all independent variables have an effect on financial management accountability and higher education performance, but only the quality assurance system implementation variable has no effect. It is hoped that future researchers can deepen research results by developing samples and variables that develop in the research field.

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