

The Influence of Internal Control Systems, Regional Financial Accounting Systems, Financial Report Presence, And Accessibility of Financial Reports on The Accountability of Financial Management In Tangerang Selatan Government

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Abstract. The purpose of this research is to ascertain how the Regional Government of South Tangerang City's Financial Management Accountability is affected by the Internal Control System, the Regional Financial Accounting System, Financial Reports' Accessibility, and Financial Statement Presentation. The participants in this research are the SKPD in South Tangerang City's Finance Section Heads and Staff. Up to 138 people were polled for this study. Primary data collected via questionnaire was utilized for this study. This study uses SPSS 26 to process primary data through descriptive statistical analysis and multiple linear regression analysis.

Keywords: Internal Control System, Regional Financial Accounting System, Presentation of Financial Statements, Accessibility of Financial Reports, Accountability of Regional Financial Management.

1. Introduction

At present, the expansion of Indonesia's public sector has attracted attention due to the increasing need for public accountability coming from the government, both at the central and local levels. This is due to the emergence of delegation of responsibilities, power sharing, and authority from the central government to local governments, causing important changes in budget expenditures. Therefore, it is important for the government as a public sector entity to be able to provide financial reports to improve public sector financial accountability by providing useful, honest and open financial information to the public.

Accountability, as defined by [7], is a relationship in which multiple parties agree to display, evaluate, and be accountable for performance, with results that match performance expectations. In order to achieve strong regional financial management accountability, the government, which

is charged with carrying out the mandate of its citizens, has a responsibility to deliver financial reports accurately. This will increase regional financial management accountability while upholding transparency.

The business's internal control system is a key factor in defining accountability and transparency within the context of regional finance management. Regulation Number 5 of 2021 of the Financial and Development Supervisory Agency evaluates how well ministries, institutions, and local governments have implemented integrated internal control systems in government, Article 1 Point 2, states, "internal control system is an integral process in actions and activities carried out continuously by management and all employees to provide adequate assurance for the achievement of organizational goals."

Trust in the government can be supported by maintaining an effective, as stated by [1]. Furthermore, if this system functions well across all institutions, starting with a strong system, it can stop fraud, corruption, and resource misuse [5]. Therefore, the financial management of local governments will be held to a higher standard of responsibility the better so errors can be avoided and overcome.

The research findings on the positive effect of an efficient internal control system on accountable financial management are in line with the findings of [1] and [17]. The level of accountability displayed by financial management does not depend on the system, in accordance with research by [19].

The financial accounting system for the region has an impact on the precision of regional financial management reporting. Regional financial accounting is defined by [10] as "an accounting system consisting of a set of policies, standards, and procedures that can produce relevant, reliable, and timely reports to produce information in the form of financial reports that will be used by internal and external parties of local governments in the context of economic decision making." Thus, the better the accounting system for regional finances, the more responsible regional financial management is. Because a sound financial accounting system may increase government financial responsibility and transparency while also providing data for managerial needs.

This is consistent with research by [4], which indicates that regional financial management's accountability is significantly impacted by the regional financial accounting system. Meanwhile, research conducted by [11] and [15] asserts that the manner in which regional financial records and reporting are kept makes regional financial management less responsible.

The financial statements' presentation is the third aspect affecting the accountability of regional financial management. The financial statements presentation is meant to provide important information regarding the reporting entity's financial condition and all of its transactions within a certain recording time, according to Government Regulation Number 71 of 2010. In order for regional financial management to be held more accountable the better the financial statements

that the local government present. Because, local governments can prove their accountability to the public or society by presenting transparent financial reports.

[20] found that the manner in which financial reports are presented impacts how people perceive who is in charge these findings are consistent with those of the study of financial management at the regional level. However, [3] found that the format of financial statements has nothing to do with the financial management under the region's accountability.

The availability of financial reporting is the fourth aspect that affects regional financial management's responsibility. According to [6], the accessibility of financial reports is the ease for users of financial reports to obtain financial information from the local government. So that the better the local government makes it easy to access these financial reports, the more responsible regional financial management is. Because, this can provide space for the public or society to review the accountability for the use of regional assets and financial procedures that have been used by local governments.

This is consistent with study by [16], which indicates that the availability of financial data affects regional financial management's responsibility. However, according to study by [18], regional financial accountability is unaffected by the availability of financial information.

This study sought to ascertain the effects on the financial management accountability (Y) of the regional government of South Tangerang City of the Internal Control System (X1), Regional Financial Accounting System (X2), Financial Statement Presentation (X3), and Financial Statement Accessibility (X4).

2. Literature Review and Hypothesis Development Internal Control System

To ensure that the company can achieve its goals, management and employees must work together to create an efficient internal control system. As a result, when local governments implement these systems well, the result is financial reports that can be trusted and accounted for. This is due to the fact that the robustness of these systems will ensure the accuracy of financial reporting. As shown by [9], which shows a good relationship.

H1: Partially, Y is impacted by the variable X1.

3. System of Regional Financial Accounting

Local governments should take responsibility for the outcomes of their work and minimize errors by adhering to the guidelines set forth by the relevant regional financial accounting system. This opinion is supported by study findings [3], which demonstrate a clear causal link between regional financial accounting and financial management.

H2: In part, the Y is impacted by the X2.

4. Financial Statement Presentation

The distribution of financial reports is a crucial component in fulfilling the duty of regional financial management. Reports must be produced by the government, as mandate holder, and adhere to predefined standards. This perspective is consistent with the research findings of [11], which demonstrate a relationship between the two.

H3: The X3 has an effect on the Y to some extent.

5. Financial Statements Are Available

Users of financial reports benefit from being able to access these reports that have been provided by local governments thanks to their accessibility. This is in line with research [2] which shows a good relationship between regional financial management accountability and the availability of financial data. The X3 is the third aspect that affects Y.

H4: In part, the X4 affects variable Y.

6. Accountability for Financial Management in the Region

The responsibility of regional financial management will rise as long as more individuals are trained to read financial accounts. Internal controls, regional financial accounting systems, readily available financial data, and an understandable and transparent presentation of financial accounts are all necessary for responsible regional financial management.

H5: The X1, X2, X3, and X4 all have a concurrent effect on the variable Y.

7. Research methods

Types of Research and Data Resources

This study employs quantitative research with primary data, namely information gathered from respondents by way of survey distribution at the South Tangerang City SKPD.

8. Population and Sample

People who hold leadership positions in the accounting department at SKPD in South Tangerang City became the sample used for this analysis. Purposive sampling was used in this study. The following description applies to participants in this survey:

1. People in SKPD who handle company finances or accounting systems.

2. The head and staff of the accounting department were surveyed; each SKPD had a total of five respondents. Thus, the total number of respondents (head and accounting staff) for each SKPD used as a sample was five respondents.

9. Analysis Technique

Accessible financial statements, financial statements that are presented clearly, internal control system and Responsible Regional Financial Management were studied through the lens of multiple linear regression analysis in SPSS Version 26. Multiple regression analysis is a useful statistical tool for exploring and modeling relationships between variables. Specifically, the following regression equation was used in this investigation:

$$Y = \alpha + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + e \quad (1)$$

Description:

Y : Regional financial management's accountability

A : The regression equation's constant

b₁ : Variable regression coefficient X1 (Internal Control System)

b₂ : Coefficient of regression for the variable X2 (Regional Financial Accounting System)

b₃ : Regression coefficient of variable X3 (Presentation of Financial Statements)

b₄ : Regression coefficient of variable X4 (Accessibility of Financial Statements)

X₁ : System of internal controls

X₂ : System of Regional Financial Accounting

X₃ : Financial Statements Presentation

X₄ : Financial Statements Are Available

E : Error

10. Results and Discussion

Descriptive Statistical Analysis

Table 1. Descriptive Statistics Results

	N	Minimum m	Maximum m	Mean	Std. Deviation
Internal Control System (X1)	138	21	30	28.12	2.403
Regional Financial Accounting System (X2)	138	37	55	51.82	3.827
Presentation of Financial Statements (X3)	138	39	50	47.40	3.207
Financial Statement Accessibility (X4)	138	26	35	33.19	2.436
Financial Management Accountability (Y1)	138	14	20	19.09	1.414
Valid N (listwise)	138				

Source: Data processed with SPSS 26, 2022

The data table shows that 138 people participated in this study. Of the 138 participants, the mean and standard deviation for the regional financial management accountability dependent variable (Y) were 19.09 and 1.414, respectively. The (X₁) variable had a range of 21-30 on the independent variable scale, with a mean of 28.12 and a standard deviation of 2.403%. The variable X₂ takes values between -37 and +55, with 51.82 as the mean and 3.827 as the standard deviation. (X₃) has a value between -39.00 and +50.00, with a -3.207 standard deviation and an average of 47.40. With a value ranging from 26 to 35, the variable (X₄) has an average of 33.19 and a standard deviation of 2.436.

Analysis of multiple linear regression

Table 2. Test Results for Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constanta)	3.534	1.366	
	Internal Control System (X1)			
	Regional Financial Accounting System (X2)	.011	.055	.019
	Presentation of Financial Statements (X3)	.217	.047	.493
	Financial Statement Accessibility (X4)	.181	.053	.311

Source: Data processed with SPSS 26, 2022

Based on the data in the table above, the regression equation value was determined from the calculation results.

$$Y = a + b1.x1 + b2.x2 + b3.x3 + b4.x4 \quad (2)$$

$$Y = 3,534 + 0,01 X1 - 0,02 X2 + 0,21 X3 + 0,18 X4$$

The ensuing inference can be made from the multiple regression equation shown above:

1. The constant value (α) of 3.534 shows that during the time when the accessibility ($X = 0$), the display of the regional monetary statements, and the variables in the regional financial reporting framework are all rated extremely well, the value of the regional financial management accountability variable is 3.534 when the X1 variable stays unchanged.
2. The X1 has a positive effect on Y responsibility if its regression coefficient is greater than 0.01. This indicates that regional financial management accountability increases by 0.01 each time the internal control system's unit count increases.
3. There is a negative link between the regional financial management responsibility and the X2 variable, as indicated by the regression coefficient's -0.02 value. This relationship includes all positive values of related variables.
4. The regression coefficient value of Financial Statement Presentation of 0.21 indicates that this variable impacts the Regional Financial Management Accountability variable favorably; that is, an increase of 1 unit in the Financial Statement Presentation variable results in an increase of 0.21 units in the factor measuring regional financial management accountability.
5. The regression coefficient of 0.10 for Financial Statement Accessibility indicates a positive relationship between this variable and Regional Financial Management

Accountability; in other words, an increase of 1 unit of Financial Statement Accessibility is associated with an increase in Regional Financial Management Accountability by 0.10.

Assessing the Feasibility of Multiple Linear Regression Models

The significance level obtained from the traditional assumption test can be used to assess the practicality of the regression model. You can see the effectiveness the test in the table.

Normality Test

Table 3. Normality Test Result

		Unstandardized Residual
N		138
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.99457775
Most Extreme Differences	Absolute	.224
	Positive	.190
	Negative	-.224
Test Statistic		.224
Asymp. Sig. (2-tailed)		.000 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: Data processed with SPSS 26, 2022

As visible in the table above, the significance value is $0.000 > 0.05$. The data are therefore presumed to be regularly distributed.

Multicollinearity Test

Table 4. Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Internal Control System (X1)	.424	2.356
Regional Financial Accounting System (X2)	.391	2.560
Presentation of Financial Statements (X3)	.333	3.005
Financial Statement Accessibility (X4)	.441	2.269

Source: Data processed with SPSS 26, 2022

As can be seen in the table above, with a number larger than 10, None of the two independent variables are correlated. Since there is no evidence of multicollinearity in this regression model, the independent variables can be treated independently.

Heteroscedasticity Test

Table 5. Heteroscedasticity Test Results

Model	Sig.
(Constant)	.000
Internal Control System (X1)	.811
Regional Financial Accounting System (X2)	.124
Presentation of Financial Statements (X3)	.047
Financial Statement Accessibility (X4)	.591

Source: Data processed with SPSS 26, 2022

From the table, It demonstrates that each independent variable, the value of Sig. > 0.05 hence it can be said that heteroscedasticity is not an issue for the regression model.

Autocorrelation Test

Table 6. Autocorrelation Test Results

Model	Durbin-Watson
1	2.140

Source: Data processed with SPSS 26, 2022

The DW value, 2.140, exceeds the upper bound (dU)(dU DW) and less than (4-dU) or 4 1.7819 = 2.2181, as shown in the table above, and will be compared with the significance table value of 5%, where $n = 138$, $k = 4$, and $dU = 1.7819$ are the sample size, number of independent variables, and dU, respectively. Therefore, autocorrelation does not exist (DW 4-dU).

Coefficient of Determination (R^2)

Table 7. R^2 Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.711 ^a	.505	.490	1.009

- a. Predictors: (Constant), Internal Control System, Regional Financial Accounting System, Financial Statement Presentation, Financial Statement Accessibility

Source: Data processed with SPSS 26, 2022

Based on the data in the table above, there is a simultaneous influence of X1, X2, X3, and X4 on Y. As the remainder 39.5% is affected by additional variables or variables not examined in this study.

11. Hypothesis Testing

According to the hypothesis's outcomes, which are best summarized as:

- a. Testing Hypothesis One (H_1)

The initial theory demonstrates the X1 importance value variable is $0.836 >$ significant level (α) 0.05, One interpretation is that X1 has little impact on (Y).

The results are in line with previous research findings [19] which found no correlation these two variables. Meanwhile, research conducted by [8] indicates that Regional Financial Management Accountability is significantly impacted by the Internal Control System.

- b. Testing Hypothesis Two (H_2)

According to the second hypothesis, the Y may not have a partial impact on X2, as the significance value of the variable is $0.572 >$ significant level (α) 0.05.

The investigation's conclusions are in line with previous research in the field [11]. According to their research, the X2 has little bearing on the Y. Regional financial

accounting systems have a major influence on regional financial management duties, according to research by [2], Murdayanti, and Nasution (2020).

c. Testing Hypothesis Three (H_3)

According to the third hypothesis, the Financial Statement Presentation variable's significance value is $0.000 < 0.05$ significant level (α), indicating that the (X3) has a noteworthy effect on (Y).

In line with earlier studies [20], we discover that Y may be greatly impacted by the way financial data is delivered. Nevertheless, study by [3] discovered that the manner in which X3 has little bearing on Y.

d. Testing Hypothesis Four (H_4)

The fourth hypothesis shows that the significance value of the X4 variable is $0.001 < 0.05$ significant level (α), so (X4) partially has a significant effect on (Y).

The study's findings are consistent with those of [15], who found that variable Y is significantly impacted by X4. However, research by [18] indicates that there is no relationship between Y and the X4.

12. Conclusion

Based on the study's findings, the variable Y can be inferred from this is influenced by all carriable X.

For further research, it is recommended to expand the research object by adding variables such as transparency, leadership style and many others that can be used as research variables.

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