



# Determinants of the Quality of Village Financial Statements and the Implementation of SISKEUDES as a Mediation Variables

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**ABSTRACT**

This study aims to analyze the factors affecting the quality of village financial statements using SISKEUDES (village financial system application), which had been implemented in villages in the Tegal Regency as an intervening variable. These factors encompassed human resource competence, management commitment, system user training, and data quality. This study's population was all users of the SISKEUDES system in villages throughout Tegal Regency, totaling 281 villages. The sampling technique employed was the convenience sampling method. Respondents were the SISKEUDES application users who were present at the SISKEUDES 2.0 software extension program. The data were obtained by distributing questionnaires to 281 SISKEUDES users, but only 218 could be processed into data. The data analysis then utilized SEM-PLS with Smart PLS 3.0 software. The results showed that human resource competence, top management commitment, and user training directly had a significant positive effect on the quality of village financial statements. Besides, the variable of SISKEUDES implementation served as a mediation variable for system user training on the quality of village financial statements.

## INTRODUCTION

In the state administration of the Republic of Indonesia, it has shown that villages have origin rights and traditional rights in regulating and managing the local community's interests, as well as playing a role in realizing the ideals of independence based on the 1945 Constitution of the Republic of Indonesia. In implementing its governance, villages are obliged to manage village finance in a transparent and accountable manner. Besides, village finances must be reported and accounted for in accordance with the provisions and mechanisms that have been regulated in Law No. 6 of 2014 concerning villages and Government Regulation No. 43 of 2014 concerning the implementation of Law No. 6 of 2014.

Apart from the issuance of Law No. 6 of 2014 concerning villages, the government has also released Minister of Home Affairs Regulation No. 113 of 2014 concerning village financial management guidelines. With these regulations, it is hoped that it can guide village financial management because it comprises various village financial management procedures, ranging from planning, implementation, administration, reporting, and accountability. Moreover, this Minister of Home Affairs Regulation requires village financial management to be carried out in a transparent, accountable, and participatory manner, as well as in an orderly and disciplined budget.

Financial statements are a form of government accountability in the management of economic resources mandated by the people. The financial statements prepared by the village government are a form of government accountability to the community. Therefore, a quality financial statement is required, as regulated in Law No. 15 of 2004. The quality of financial statements can be described in the qualitative characteristics of financial statements in government accounting's conceptual framework (Government Regulation No.71 of 2010). The qualitative characteristics of financial statements are normative measures that need to be embodied in accounting information to fulfill its objectives. The characteristics that are the normative prerequisites needed for government financial statements to meet the desired quality are relevant, reliable, comparable, and understandable.

In helping to produce quality financial statements, a supporting technology system is needed. Given the importance of technology systems in supporting quality financial reporting, it can simplify and assist in making financial statements. According to the Financial and Development Supervisory Agency (BPKP), the development of a village system application has been prepared from the start to anticipate the application of Law No. 6 of 2014 concerning villages.

In implementing SISKEUDes, the most critical factor is the SISKEUDes user. Human resources (HR) are the main supporting pillars and driving forces of the organization to realize its vision and mission goals. This role requires competent human resources. Competent human resources, who have high education and can use the existing system, will help complete tasks, especially in budgeting and village financial statements.

Furthermore, to provide quality financial statements, the leadership role is vital in providing sustained support and commitment. The village head who acts as top management is the party who has the authority to make decisions on the policies to be taken. According to Cooper (2006), management commitment is "engaging in and maintaining behavior to achieve goals as management commitment increases the effectiveness of accounting information systems".

One form of commitment from top management is training for system users, given that training can provide additional abilities to face changes and adjustments to work systems in the future. Boner and Walker (1994), quoted by Wungow et al. (2016), stated that the increase in knowledge that arises from formal training is as good as that gained from specific experience. The experience is in the form of activities, such as seminars, workshops, and the training itself and other skill support activities.

In addition to competent system users and the training provided, the quality of data as input to the technology system is crucial so that the output of the technology system used, namely financial statements, becomes good information. Input from SISKEUDes is in the form of data relating to village finances. All data production processes (data collection, data storage, and data utilization)

must function properly to achieve high data quality (Lee and Strong, 2003). Good data input will also produce good data output. As reported by Alfian, M (2014), data quality positively affected local government financial statements' quality.

Several previous researchers have conducted studies on the factors affecting the quality of financial statements. Research conducted by Rangkuti (2017) stated that data quality, human resource competence, management support, internal control systems, and external factors simultaneously had a positive and significant effect on financial statements' quality. Meanwhile, Setyawan's (2018) research showed that the quality of human resources and top management support did influence financial research quality. Also, Al-Hiyari et al. (2013) found that the quality of statements produced by an organization was not influenced by top management support. According to Fitrioso (2016), implementing an accounting information system impacted the quality of financial statements. It contradicts Setyawan (2018) and Rangkuti (2017), who uncovered that the information system did not affect financial statements' quality.

Based on previous research's inconsistency, it is the basis for the current researchers to research the implementation of SISKEUDes with research objects in villages throughout Tegal Regency, Central Java.

The purpose of this study was to analyze (1) whether human resource competence, top management commitment, system user training, and data quality affect the quality of financial statements; (2) whether the implementation of SISKEUDes affect the quality of village financial statements; (3) whether the implementation of SISKEUDes mediates the effect of human resource competence, top management commitment, system user training, and data quality on the quality of financial statements.

### Literature Review and Hypothesis Development Agency Theory

Concerning agency problems, the practice of village financial reporting is a concept based on agency theory. In financial reporting, the government acting as an agent has an obligation to provide useful information to users of village financial information, which acts as a principal in assessing accountability and making decisions,

whether economic, social, or political decisions, as well as directly or indirectly through their representatives. In a democratic government, the relationship between the village and village financial information users can be described as an agency relationship.

### Village Financial Information System (SISKEUDes)

According to the BPKP survey in 2014, the knowledge of village apparatus human resources was minimal in terms of village finances, even though there was much money to be managed in the village. SISKEUDes is a free application that can be a solution. SISKEUDes is distributed free of charge through district/city governments to villages throughout Indonesia. SISKEUDes training costs for village officials and supervisors at the district/city level are budgeted in their respective APBD. Apart from being free of charge, it also has many advantages. Therefore, various parties, starting from Commission XI DPR RI, President Joko Widodo, to the Chairman of the KPK, have appealed to be implemented by villages throughout Indonesia. Currently, 69,875 of the total 74,957 villages have implemented SISKEUDes.

The Village Financial System Application (SISKEUDes) is an application developed by the Financial and Development Supervisory Agency (BPKP) to improve village financial governance quality. SISKEUDes will gradually be implemented throughout Indonesia to assist villages in implementing village financial management effectively and efficiently. The primary objective of the SISKEUDes application, according to BPKP, is so that village government officials have convenience when carrying out the financial management process and can be held accountable for their accountability. If the village government can carry out village governance accountably and adequately, it is hoped that legal issues that may occur related to financial management can be avoided.

The village financial management application features are made simple and user friendly to make it easier for users to operate the SISKEUDes application. With a single input process according to an existing transaction, it can produce output in the form of administrative documents and statements in accordance with statutory provisions, including:

- a. Administration documents

- b. Receipt
- c. Payment Request Letter (SPP)
- d. Tax Payment Letter (SSP)
- e. Other documents
- f. Statements
- g. Budget statements (Village Revenue and Expenditure Budget, Budget Plan, and Village Income and Expenditure Budget per source of funds)
- h. Administration statements (General Cash Book, Bank Book, Tax Book, Subsidiary Book, and Register)

The basis for developing the SISKEUDes application includes Law Number 6 of 2014 concerning villages, Government Regulation Number 43 of 2014 concerning implementing regulations of Law Number 4 of 2015 in conjunction with Government Regulation Number 20 of 2014 concerning villages, Government Regulation Number 22 of 2014 concerning village funds (DD) sourced from the State Budget, Minister of Home Affairs Regulation Number 113 and 114 of 2014, and Regulation of the Minister of Finance Number 247 of 2015. By implementing the SISKEUDes system, it is hoped that it can assist the village government in preparing statements to realize the implementation of the Village Revenue and Expenditure Budget and their accountability reports. It resulted from a cycle of village financial management, starting from planning and budgeting, implementation and administration, to reporting and accountability for village financial management. Also, it is carried out in an orderly, transparent, and accountable manner.

### 1. Human resource competence affects the quality of village financial statements.

Human resources are the driving force of the organization. According to Fuad and Gofur (2009: 19) in Sutedjo (2013), competence is the workability of each individual, comprising aspects of knowledge, skills, and work attitudes in accordance with set standards. Competence is a combination of skills, knowledge, and attitudes, which can be critically observed and applied to the success of an organization and work performance, as well as an employee's personal contribution to the organization.

Regarding the quality of village financial statements, human resources who have good

competence will be more able to provide valid financial statement results, which can be used to consider decision making. If the existing resources do not have good competence in the system's use and understand of the financial statements, the worst thing is the invalidation of the statements produced.

Research results by Ulfa et al. (2017) showed that knowledge and attitudes had a significant effect on perceptions of financial statement quality, while expertise did not significantly influence perceptions of financial statement quality. Rangkuti (2017), in the research, indicated that human resource competence significantly and positively impacted the quality of financial statements. Based on the description above, the hypothesis proposed in this study is:

**H1: Human resource competence affects the quality of financial statements.**

### 2. Top management commitment affects the quality of village financial statements.

As Simanjuntak (2010) stated in Rangkuti (2017), strong support from leadership is the key to a change's success. One of the reasons for the weakness in preparing financial statements in several institutions is the weak commitment of the work unit leadership, especially village heads who receive deconcentration/assistance tasks. The clarity of legislation encourages the application of government accounting and provides strong support for leaders.

Top management commitment is essential concerning the quality of village financial statements; top management as the motivator and controlling the human resources that make financial statements. The top management in this study is the village head. The village head definitely checks the results of routine financial statements generated by SISKEUDes users. Thus, if the village head does not care or play a role in controlling these financial statements' preparation, the resulting transparency of the financial statements will be biased.

Rahayu (2012), who examined the effect of management commitment on data quality and SIA, found that management commitment and data quality together had an adequate effect on accounting information systems. Kurniawati (2018) revealed that top management support had a positive influence on the quality of financial

statements. However, it is different from the results of the study carried out by Alfiani (2017) that top management support showed no positive impact on the quality of financial statements. Based on the description above, the hypothesis proposed in this study is:

**H2: Top management commitment affects the quality of financial statements.**

### **3. System user training affects the quality of village financial statements.**

Training can be defined as an effort to improve the quality of employee work in accordance with the current task field. Training is intended to improve mastery of specific, detailed, and routine job-performing skills and techniques. Meanwhile, development has a broader scope to improve and enhance knowledge, abilities, attitudes, and personality traits.

Training is held to improve the competence and performance of employees who prepare financial statements. As of fact, financial statement makers are not always from accounting or finance backgrounds and are highly educated. Seeing a phenomenon like this, routine training is beneficial to support existing competencies so that it is useful for making financial statements. It is so that the resulting financial statements can be valid, transparent, and can be understood by users.

Wungow et al. (2016) said that the more training employees participate in according to their work field, the more skilled and qualified the employees will be. Based on the description above, the hypothesis proposed in this study is:

**H3: System user training affects the quality of financial statements.**

### **4. Data quality affects the quality of village financial statements.**

Data is a record of a collection of facts. Data quality is part of data governance; data quality has an understanding of the completeness and accuracy of the data (Batini 2009). Besides, data quality is also related to consistency and timeliness (Batini, 2009). Completeness itself contains the meaning of information as the output of the data processing process, which represents every actual situation (Wand and Wang, 1996) and has all the meanings needed to describe an entity (Bovee, 2001) or all the values that should be collected (Liu and Chi, 2002).

Based on the explanation above, it is inferred that quality data reflects the actual situation, where the data is not manipulated before it is entered into the system to be processed into a financial statement. The data entry process is also crucial in relation to the expected results. If the number or information entered is wrong, the system results or the system output will be wrong.

The entire process of producing data (collecting, storing, and using data) must run well so that the data's quality can be appropriately processed. Diwasya (2016) stated that the data production process must run well to achieve quality results. In line with this, Rahayu (2012) argued that quality data could affect SIA output. According to Sulastia et al. (2019), the quality of financial statements will be achieved when the financial managers involved, namely the head of SKPD, PPK, and treasurers who make financial statements, can provide quality data and understand their work. Also, supervision is carried out maximally, where the regional head as the head of the regional government is the holder of regional financial management power and represents the regional government in ownership of separated regional assets. However, different results were found by Diwasya (2016) that the quality of input data did not have a positive effect on the quality of financial statements. Based on the description above, the hypothesis proposed in this study is:

**H4: Data quality affects the quality of financial statements.**

### **5. SISKEUDes implementation affects the quality of village financial statements.**

AIS is defined as a tool that, when incorporated into the field of information technology and systems (IT), is designed to assist in the management and control of topics related to corporate financial economics. Xu (2003) asserted that the poor quality of information contained in financial statements could have an adverse effect on decision making. For example, errors in the inventory information can lead to incorrect decision-making by managers resulting in excess inventory, which has a severe impact on company profitability and customer satisfaction.

The accounting system provides knowledge about accounting information processing from the time data is recorded in documents until reports

are generated (Bastian, 2007). The preparation of village financial statements by implementing the Village Financial System (SISKEUDes) is actually to improve the quality of financial statements to increase their credibility and, in turn, create quality financial statements.

The use of SISKEUDes or SIA in an agency or company will significantly affect the resulting financial statements' results. A system is used in an agency or company to make it easier for its users. Calculations will be more valid, cheaper, and save time in making financial statements than manual methods.

A study conducted by Al-Hiyari et al. (2013) proved a significant relationship between management commitment, data quality, and accounting information system implementation. Alfian (2014) also conducted research on the "Analysis of Supporting Factors for SIMDA Implementation and Their Effects on the Quality of Financial Statements at SKPDs in Kulon Progo Regency", concluding that SIMDA implementation positively influenced the quality of financial statements. However, unlike the research carried out by Ihsanti (2014), the application of the system did not have a positive impact because existing human resources could not fully implement the system. Based on the description above, the hypothesis proposed in this study is:

**H5: SISKEUDes implementation affects the quality of financial statements.**

#### **6. Human resource competence affects the quality of financial statements through SISKEUDes.**

Human Resources (HR) is the party that most influences the quality of financial statements. HR, in this case, is the employee in charge of compiling financial statements. It is human resources that use the system to compile financial statements. Human resource competence is a person or individual's ability in an organization (institution) or a system to carry out their functions or authority to achieve their goals effectively and efficiently.

Based on the above understanding, it can be concluded that the competencies possessed by system users are critical to obtaining quality results or outputs from the system. If users of the system do not have good competence in the use of the system or an understanding of financial or

accounting reports, there will be obstacles when making financial statements. The system is only a supporting tool to facilitate the preparation of financial statements, but the leading and most important factor is the system driver. As specified by Dewi et al. (2014), an understanding of the financial accounting system positively affected financial statements' quality.

According to Al-Hiyari (2013), the relationship between management commitment and data quality was not significantly related to accounting information quality but was significantly associated with accounting information systems and human resources. In contrast to the research results carried out by Setyawan (2018), the accounting information system failed to mediate between the quality of human resources and the quality of financial statements. Based on the description above, the hypothesis proposed in this study is:

**H6: Human resource competence affects the quality of financial statements through SISKEUDes.**

#### **7. Top management commitment affects the quality of financial statements through SISKEUDes.**

The commitment represents the strengths a person identifies with and involvement in an organization. Management commitment is a leadership style in which managers and subordinates participate together in determining job goals, deciding levels of responsibility, and clarifying performance commitments (Chalk, 2008 in Fitrius, 2016). Management support usually takes the form of motivation, rewards, or system updates used by employees. By always paying attention to what is used by his subordinates, it is hoped that the work will be good.

Top management support can be interpreted as the involvement of project management and the resources required. Therefore, top management support plays a vital role in determining all activities, including those related to the accounting information system, which is one of the essential subsystems in an organization. Based on the existing description, it can be concluded that with the support or commitment from management to the applied system, it is hoped that it will affect the system's output. Thus, employees will feel helped by a good system, and the performance results

are in accordance with management targets and expectations.

Rahayu (2012), who examined the effect of management commitment on data quality and SIA, found that management commitment and data quality together had an adequate effect on accounting information systems. If management commitment positively affects the SIA, there is also a positive expectation for the SIA output, namely the financial statements. Handrianto's (2006) research in Rafli's (2013) investigates the effect of top management support and task complexity on applying accounting information systems. The results indicated that top management support did not influence the application of accounting information systems. Contrary to Rafli's (2013) research results, top management support positively impacted the application of accounting information systems. Also, a study carried out by Setyawan (2018) discovered that system implementation did not succeed in mediating top management support with the quality of financial statements. Based on the description above, the hypothesis proposed in this study is:

**H7: Top management commitment affects the quality of financial statements through SISKEUDes.**

#### **8. System user training affects the quality of financial statements through SISKEUDes.**

The good and bad performance of a government information system can be seen from users' decisions of government information systems themselves. An information system will be successful if several supporting factors support it. Wungow et al. (2016) affirmed that the provision of training is intended so that employees can master the work that is their responsibility so that efficiency and effectiveness can be realized in the implementation of their duties. Fitrius (2016), in research, proved the concept theory of the relationship of top management commitment and user training with the application of accounting information systems and their impact on the quality of accounting information. The study results can be used to solve problems in applying accounting information systems and the quality of accounting information through increased top management commitment and user training.

Information system users can gain training to identify information requirements and information systems' seriousness and limitations, and this ability

can lead to improved performance. Before accepting the new system, a person will first be aware of these changes and try to understand them. It can be achieved through proper training. Training will also increase employee confidence in facing the new system (Lestari, 2010: 22). The personal technical ability of information system users plays an essential role in developing information systems to produce information to create accurate planning reports. Every employee must be able to master the use of computer-based systems to be able to process several transactions quickly and integrated, be able to store data and retrieve large amounts of data, be able to reduce mathematical errors, produce timely reports in various forms, and can be a decision aid.

As reported by Putra (2010), accounting information systems' performance positively and significantly affected an organization that has training and education programs for users. However, it is different from the research results done by Wahyudi et al. (2018), which found that user training had no positive influence on system performance. According to Sukmawati (2019), in her research, she states that training positively impacted the quality of financial statements; training is one aspect that gets attention to help improve the knowledge and job skills of financial managers. Based on the description above, the hypothesis proposed in this study is:

**H8: System user training affects the quality of financial statements through SISKEUDes.**

#### **9. Data quality affects the quality of financial statements through SISKEUDes.**

Mark Mosley (2008) asserted that data quality is the level of data that states that the data is accurate, complete, updated, consistent, and relevant according to all business regulatory requirements. The data production process must run well to achieve quality results (Lee and Strong in Al-Hiyari et al., 2013). Data can be defined as a collection of events raised from a reality, which can be numbers, letters, special symbols, or a combination thereof (Jogiyanto, page: 2). Data cannot tell much before they are processed further into the input process, where this stage is the process of entering data into the computer via an input device.

From a technical point of view, data quality results from processing through data and scrubbing it, standardizing and duplicating records, and doing some data enrichment and postal validation

(Hubley, 2001 in Rahayu, 2012). All data production processes (data collection, data storage, and data utilization) must function properly to achieve high data quality (Lee and Strong, 2003 in Al Hiyari et al., 2013). Rangkuti (2017) stated that the entire process of producing data (collecting, storing, and using data) must run well so that the quality of the data used can be appropriately processed. Rahayu (2012) also argued that quality data could affect SIA output. According to a study conducted by Setyawan (2018), system implementation did not succeed in mediating data quality with the quality of financial statements. In contrast to the research conducted by Alfian (2014), regarding the analysis of factors supporting the implementation of SIMDA and its effects on financial statements, the quality of input data and the level of user understanding had a positive influence on the implementation of SIMDA, and SIMDA had an influence on the quality of financial statements. Based on the description above, the hypothesis proposed in this study is:

**H9: Data quality affects the quality of financial statements through SISKEUDes.**

## RESEARCH METHODS

This research was designed as a survey with respondents from all villages in Tegal Regency. This research type applied quantitative research. The population was village officials/apparatus who used SISKEUDes. Respondents filled out questionnaires simultaneously while being briefed on the latest version of the system update, from SISKEUDes version 2.0.1 to SISKEUDes version 2.0.2., Which was held at the City Hall of Tegal Regency. Most respondents filled out the questionnaire correctly and adequately according to the directions. The results were that 218 questionnaires were completely filled in, while 34 were incomplete. In the questionnaire distributed, each statement provided four alternative answers: strongly agree (SS), agree (S), disagree (TS), and strongly disagree (STS).

### Operational Definition and Measurement of Research Variables

Human resource is one of the resources in the organization, including all people who carry out

activities. This variable's indicators were the length of work, education, and the number and quality of training attended.

Top management commitment is the support provided by a superior to his subordinates to achieve organizational goals. This variable's indicators included management ability, management's attention and performance supervision, and management knowledge.

System user training is an activity given by the organization to support its employees' skills and competencies. This variable's indicator was the quality of the training followed.

Data quality is data that is in accordance with the reality or actual situation and is free from misleading information. These variable indicators comprised accurate and complete, on time, and in accordance with applicable regulations.

### Dependent Variable

The quality of financial statements is a financial report with four qualitative characteristics in accordance with Government Regulation No.71 of 2010, including relevant, reliable, comparable, and understandable. Indicators of the quality of financial statements in this research were understandable, comparable, neutral, and materiality.

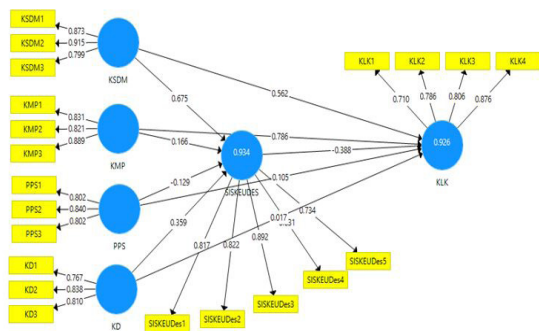
### Intervening/Mediation Variables

SISKEUDes is an application issued by BPKP to help village governance to make financial statements better. This variable's indicators encompassed the application of SISKEUDes, the satisfaction level in using SISKEUDes, the efficiency of using SISKEUDes, the effectiveness of using SISKEUDes, and the ease of data transfer.

### Data Analysis

The data analysis technique employed in this research was path analysis using the Partial Least Square (PLS) model. This model used Structural Equation Modeling (SEM) for the model equation, commonly called PLS-SEM. This study also utilized SmartPLS 3.0 software to process and analyze research data.





**Research Results and Discussion**

Following are the research results with SEM-PLS 3.0 after testing the validity and reliability of each research variable. Statistically, the testing of the nine hypotheses above can be explained in the following tables.

Variabel		Indirect Effect			
		coefficient	t-statistic	p-value	Sig
Kompetensi Sumber Daya Manusia	Daya	-0,262	4,922	0,000	Signifikan
-> Kualitas Laporan Keuangan					
Komitmen Manajemen Puncak		-0,064	3,807	0,000	Signifikan
-> Kualitas Laporan Keuangan					
Pelatihan Pengguna Sistem		0,050	2,500	0,013	Signifikan
-> Kualitas Laporan Keuangan					
Kualitas Data		-0,139	3,912	0,000	Signifikan
-> Kualitas Laporan Keuangan					

Sumber: Hasil Olah data dengan SmartPLS 3.0

Variables	Sig
Human Resources Competence -> Financial Statement Quality	Significant
Top Management Commitment -> Financial Statement Quality	Significant
System User Training -> Financial Statement Quality	Significant
Data Quality -> Financial Statement Quality	Significant

Source: Data Processing Results with SmartPLS 3.0

Variabel	Uji Efek Mediasi		Pengaruh total
	Langsung	Tidak langsung	
Kompetensi Sumber Daya Manusia	0,562	-0,262	0,301
-> Kualitas Laporan Keuangan			
Komitmen Manajemen Puncak	0,786	-0,064	0,721
-> Kualitas Laporan Keuangan			
Pelatihan Pengguna Sistem	0,105	0,050	0,155
-> Kualitas Laporan Keuangan			
Kualitas Data	0,017	-0,139	-0,122
-> Kualitas Laporan Keuangan			

Sumber: Hasil Olah data dengan SmartPLS 3.0

**Mediation Effect Test**

Variables	Direct	Indirect	Total Effect
Human Resources Competence -> Financial Statement Quality			
Top Management Commitment -> Financial Statement Quality			

Variables	Direct	Indirect	Total Effect
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System User Training -> Financial Statement Quality

Data Quality -> Financial Statement Quality

Source: Data Processing Results with SmartPLS 3.0

Korelasi	Path coefficients			Keterangan
	coefficients	t-Statistics	P value	
Kompetensi Sumber Daya Manusia -> Kualitas Laporan Keuangan	0,562	8,717	0,000	Signifikan
Komitmen Manajemen Puncak -> Kualitas Laporan Keuangan	0,786	25,025	0,000	Signifikan
Pelatihan Pengguna Sistem -> Kualitas Laporan Keuangan	0,105	2,881	0,004	Signifikan
Kualitas Data -> Kualitas Laporan Keuangan	0,017	0,308	0,758	Tidak Signifikan
Implementasi SISKEUDes -> Kualitas Laporan Keuangan	-0,388	4,805	0,000	Signifikan

Sumber: Hasil Olah data dengan SmartPLS 3.0

**Path Coefficient**

**Direct testing**

Variables	Description
Human Resources Competence -> Financial Statement Quality	Significant
Top Management Commitment -> Financial Statement Quality	Significant
System User Training -> Financial Statement Quality	Significant
Data Quality -> Financial Statement Quality	Not significant
Implementation of SISKEUDes -> Financial Statement Quality	Significant

Source: Data Processing Results with SmartPLS 3.0

Based on the table above, the following can be discussed:

- The Effect of Human Resources Competence on the Quality of Financial Statements  
Based on the direct test path coefficient table, the p-value was <0.05 on system quality to user quality, namely 0.000, and the correlation coefficient value showed a negative relationship of 0.562, so that H1 was accepted. In this case, human resource competence affected the quality of financial statements. Human resource competence is an employee's ability related to knowledge, skills, and attitudes in completing his performance to achieve the desired goals. Competent human resources will be able to complete their work efficiently and effectively with their expertise. With the competence possessed, it will support the timeliness of making financial

statements. The higher the competence of existing human resources, the better the quality of the financial statements produced. It is consistent with research by Ulfa et al. (2017), which stated that knowledge and attitudes had a significant effect on perceptions of the financial statement quality, while expertise did not significantly influence perceptions of the financial statement quality. Rangkuti (2017), in the research, found that human resource competence significantly and positively impacted the quality of financial statements.

(2) The Effect of Top Management Commitment on the Quality of Financial Statements

Based on the direct test path coefficient table, the p-value was  $<0.05$  on the quality of information on user satisfaction, which was 0.000. Meanwhile, the correlation coefficient value exposed a positive relationship of 0.675, so that H2 was accepted.

In this respect, top management commitment influenced the quality of financial statements. These results indicated that the increased commitment that management had in leading their subordinates in an agency would affect employees' morale to produce a good performance in making financial statements. Leaders would be diligent and active in evaluating the results of employees' financial statements and pay attention to developments in the use of the system to achieve the desired quality of financial statements. The higher the top management's commitment, the better the quality of the resulting financial statements.

This study's results agree with the results of research by Rahayu (2012), which examined the effect of management commitment on data quality and SIA. It was found that management commitment and data quality together had an adequate effect on accounting information systems. Kurniawati (2018) also uncovered that top management support had a positive impact on the quality of financial statements.

(3) The Effect of System User Training on the Quality of Financial Statements

The direct test path coefficient table presents a p-value  $<0.05$  on service quality to user satisfaction, namely 0.004, and the correlation coefficient value revealed a positive relationship of 0.105. Thus, H3 was accepted.

In this case, user training impacted the quality of financial statements. These results denoted that the increased training of SISKEUDes users it would increasingly make the system users more reliable in their work and affected the results of financial statements. Training activities are carried out by a company or organization to improve employees' expertise, skills and knowledge. Training is a systematic process of changing employee behavior to achieve organizational goals. The training provided to employees can benefit their productivity, stability, and work morale in carrying out their jobs. For this reason, an effective and efficient training period needs to be provided because this training affect employees becoming experts and skilled in carrying out their work to produce reliable and relevant financial statements. The better the training of existing system users, the better the quality of the financial statements produced.

This study is in line with research done by Wungow et al. (2016), which affirmed that the more training that employees participated in according to their work field, the more skilled and qualified they would be.

(4) The Effect of Data Quality on the Quality of Financial Statements

Based on the direct test path coefficient table, the p-value was  $<0.05$  on the perceived ease of user towards user satisfaction, namely 0.758. Also, the coefficient correlation value indicated a positive relationship of 0.017. Therefore, H4 was rejected.

In this regard, data quality did not influence the quality of financial statements. These results indicated that the quality data that would be inputted into the system would not affect the results that would be issued by the system. It was because quality data reflected the actual or valid conditions and was in accordance with the existing rules without any manipulation. However, in reality, the process of making financial reports also requires a good understanding of accounting or finance so that in the process of processing data, mistakes do not occur. Besides, most SISKEUDes users were not from an accounting or financial education background. The higher the quality of existing data, the higher the

financial statements' quality would not be affected.

These results align with the results of Setyawan's (2018) study that data quality had no impact on the quality of financial statements. However, contrary to research conducted by Diwasya (2016) in Rangkuti (2017), the data production process must run well to achieve quality results. In line with this, Rahayu (2012) discovered that quality data could affect SIA output. The results of Setyawan's (2018) research also revealed that quality had no effect on the quality of financial statements.

(5) The Effect of SISKEUDes Implementation on the Quality of Financial Statements

The direct test path coefficient table shows that the p-value was  $<0.05$  on the perceived ease of user towards user satisfaction of 0.000. Besides, the correlation coefficient value showed a positive relationship, amounting to -0.388. Thus, H5 was rejected.

SISKEUDes implementation did not affect the quality of financial statements. These results indicated that SISKEUDes' implementation in making village financial statements did not help the system users. Supposedly, with the implementation of SISKEUDes, workers will find it easier to transfer information, save time, and be accurate in data processing, which will affect the output results of SISKEUDes, namely in the form of financial statements. However, in practice, users still often felt confused about using SISKEUDes in their work. Confusion in using the system made work slow, errors in inputting data, and made the resulting reports inaccurate. Therefore, it could be concluded that the higher SISKEUDes implementation did not mean that the resulting financial reports would be of good quality.

The results of this study corroborate the study carried out by Setyawan (2018), which revealed that the implementation of the accounting information system had no significant effect on the quality of financial statements. However, it contradicts or is not in line with the research of Al-Hiyari et al. (2013), which proved that there was a significant relationship between management commitment, data quality, and accounting information system implementation. Alfian

(2014) also researched "Analysis of Supporting Factors for SIMDA Implementation and Their Impact on the Quality of Financial Statements at SKPD in Kulon Progo Regency", concluding that SIMDA implementation positively influenced the quality of financial statements.

(6) The Effect of Human Resource Competence on the Quality of Financial Statements through the Implementation of SISKEUDes

By looking at the value of the direct path coefficient table, the human resource competence directly stated significant results on financial statements' quality. It could be seen from the p-value of  $<0.05$ , which is 0.000, with a coefficient value of 0.562. Moreover, for the indirect effect of the human resource competency variable on the quality of financial statements through SISKEUDes implementation, the result was also significant, as evidenced by the p-value of  $<0.05$ , which was 0.000 and the coefficient value of -0.262. However, when testing the mediation effect with the indirect effect/total effect formula, the result was - 87.04%. With this value, it could be said that the SISKEUDes implementation variable could not mediate the relationship between the human resource competency and the quality of financial statement variables. Thus, it could be inferred that H6 was rejected. These results signified that the increasing competence of human resources, the more reliable it would be in using the SISKEUDes system. Hypothetically, it should help the work of system users and take advantage of the system according to its use, impacting producing the output of SISKEUDes, namely in the form of financial statements, which are of higher quality compared to the manual way of making financial statements. However, in fact, there were still many systems used to help the work of making financial statements that were not qualified, or the system often failed. Of course, it could hamper users' work, which resulted in late work or inaccurate output. The higher the competence of existing human resources, it did not produce quality financial statements through SISKEUDes implementation.

Based on this study's results, it is in keeping with the study conducted by Setyawan (2017), with the results of his research stating that

SIA implementation could not mediate the relationship between human resources quality and the quality of financial statements. Contrary to research carried out by Al-Hiyari (2013), the relationship between management commitment and data quality was not significantly related to the quality of accounting information but was significantly associated with accounting information systems and human resources. Also, in contrast to research done by Setyawan (2017), SIA implementation could not mediate the relationship between the quality of human resources and the quality of financial statements.

(7) The Effect of Top Management Commitment on the Quality of Financial Statements through the Implementation of SISKEUDes

Looking at the value of the direct path coefficient table, top management's commitment directly revealed a significant result on the quality of financial statements. It could be seen from the p-value  $< 0.05$ , which was 0.000, with a coefficient value of 0.786. Also, for the indirect influence of the variable top management's commitment to the quality of financial statements through the implementation of SISKEUDes, the result was significant, with a p-value  $< 0.05$ , namely 0.000, and a coefficient value of -0.064. Furthermore, when testing the mediation effect with the indirect effect/total effect formula, the result was -8.87%. Hence, it could be deduced that H7 was rejected. The SISKEUDes implementation variable could not mediate the relationship between the variables of top management commitment and the quality of financial statements.

These results indicated that with the increased commitment that management had in leading their subordinates in an agency, they would always monitor, update the version of the system, and evaluate the results of using SISKEUDes to be always implemented in helping employees to produce output made by the employees in the agency. In this case, the output of SISKEUDes was in the form of quality financial statements. However, in fact, the better the quality of the system would not always provide convenience to users and would have an impact on user satisfaction. Because in practice, village employees were accustomed to and too comfortable with

manual work, so it was not easy to switch jobs utilizing the system.

This result is in accordance with the results of Setyawan's (2018) research, which confirmed that SIA implementation could not properly mediate the relation between top management support and the quality of financial statements. However, it conflicts with research carried out by Rahayu (2012) on the effect of management commitment on data quality and SIA, finding that management commitment and data quality together had an adequate effect on accounting information systems. If management commitment had a positive effect on the SIA, there was also a positive expectation for SIA output, namely the financial statements.

(8) The Effect of System User Training on the Quality of Financial Statements through the Implementation of SISKEUDes

The direct path coefficient table value stated that direct training of system users showed significant results on financial statements' quality. It could be seen from the p-value  $< 0.05$ , which was 0.004 and the coefficient value of 0.105. Furthermore, for the indirect effect of the system user training variable on the quality of financial statement through SISKEUDes implementation, the result was also significant, confirmed by a p-value  $< 0.05$ , namely 0.013, with a coefficient value of 0.050. Moreover, when testing the mediation effect with the indirect effect/total effect formula, the result was 32.3%. Hence, it could be concluded that H8 was accepted, stating that the SISKEUDes implementation variable could partially mediate the relationship between the variables of system user training and the quality of financial statements.

It means that user training affected the quality of financial statements through the implementation of SISKEUDes. These results indicated that the increasing quality and number of training for SISKEUDes users would make the system users more reliable in their work and using the SISKEUDes system. Training in a systematic process will change employee behavior to achieve organizational goals. The training provided to employees can benefit the productivity, stability, and work morale of their employees in carrying out

their jobs. With the existing training, it will make employees more reliable in operating SISKEUDes and can implement them well. For this reason, an effective and efficient training period needs to be provided because the impact of the training is that employees can be expert and skilled in using SISKEUDes to complete their work to produce reliable and relevant financial statements. The higher the training of existing system users, the better the quality of financial statements produced through the implementation of SISKEUDes.

This research's results reinforce the study done by Fitrius (2016), whose research results confirmed the concept theory of the relationship between top management commitment and user training, which had a significant effect on the application of accounting information systems and its impact on the quality of accounting information. Additionally, Cordi et al. (2013) found that the successful implementation of the system was influenced by several factors, especially appropriate education and training.

(9) The Effect of Data Quality on the Quality of Financial Statements through Perceptions of SISKEUDes Implementation

By looking at the direct path coefficient table value, the data quality variable revealed that it was directly significant to the quality of financial statements. It could be seen from the  $p\text{-value} > 0.05$ , namely 0.758, with a coefficient value of 0.017. Also, the indirect effect of the variable data quality on the quality of financial statements through the implementation of SISKEUDes was significant, as shown by the  $p\text{-value} < 0.05$ , which was 0.000. Therefore, it could be inferred that H9 was rejected; the SISKEUDes implementation variable could not mediate the data quality variable on the financial statement quality variable.

These results indicated that quality data, which would be inputted into the system, would not give good financial statement quality results even though the SISKEUDes system had been used to assist data processing. Even though the system's use will help facilitate data processing to be inputted, data input also requires accuracy and understanding of financial statements and how to use the system

properly. A system also often had errors in processing, which resulted in frequent errors in the results issued. Also, in fact, there were still many users of SISKEUDes in Tegal Regency who were confused about using it because they felt more comfortable working manually. The higher the quality of existing data would not affect the high quality of the financial statements produced through the SISKEUDes' implementation.

This study's results support Setyawan's (2017) research that the SIA implementation could not mediate data quality with financial statements' quality. However, it contrasts with Rangkuti (2017), who stated that the entire process of producing data (collection, storage, and use of data) must run well so that the quality of the data used can be appropriately processed. Rahayu (2012) also found that quality data could affect the output of SIA.

## CONCLUSION AND RECOMMENDATION

### Conclusion

Based on the research conducted, it could be concluded that the variables of human resource competence, top management commitment, and system user training had a positive and significant effect on the quality of financial statements. Meanwhile, the variable data quality did not affect the quality of financial statements. Besides, the variable SISKEUDes implementation negatively influenced the quality of financial statements.

For the SISKEUDes implementation variable, it only succeeded in being an intervening/mediation between the system user training variables on the quality of financial statements.

### Recommendation

The sample used in further research is recommended to use triangle sampling and not only system users who really deal with accounting transactions in one district. Thus, the coverage of respondents is broader. Also, the variables employed in further research can be added with several external variables that affect users' conditions in the accounting information system, in the form of system user barriers, time constraints, and system access.

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