



THE INFLUENCE OF GOVERNMENT INTERNAL CONTROL SYSTEM, FINANCIAL REPORT PRESENTATION, AND ACCESSIBILITY ON FINANCIAL MANAGEMENT ACCOUNTABILITY

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KEYWORDS	ABSTRACT
internal control, financial reports, financial management accountability.	This study aims to examine the effect of the government's internal control system, presentation of financial reports, and accessibility of financial reports on the accountability of financial management of the Aceh provincial government. The population in this study are all government employees within the Aceh Government Work Unit (SKPA) scope. In this study, a purposive sampling technique was used where the researcher took as many as four samples of respondents per SKPA with criteria in the form of government employees who were direct financial management executors, namely the Head of Sub-Division of Finance, Receiving Treasurer, Expenditure Treasurer, and Receiving/Expenditure Assistant Treasurer. Questionnaires were distributed over two months and 23 days with 188 respondents who were collected in this study. The results of this study state that simultaneously, the government's internal control system, presentation of financial reports, and accessibility of financial reports have a significant positive effect on accountability for the financial management of the Aceh provincial government. Partially, the government's internal control system, presentation of financial reports, and accessibility of financial reports have a significant positive effect on accountability for the financial management of the Aceh provincial government.

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INTRODUCTION

In recent years, transparency and public accountability in Indonesia have become issues increasingly attracting public attention. Currently, the public is becoming more active in assessing government performance. The government must provide clarity and accountability in the financial management that has been carried out. This is inseparable from the people's desire for a government free from corruption, collusion, and nepotism. The issuance of Law of the Republic of Indonesia No. 14 of 2008 concerning public information disclosure is the legal basis that regulates all levels of public officials to carry out public implementation that is more transparent, as well as responsible, and oriented to the best service to the people (Rachmiatie et al., 2015).

Concerning accountable financial management, the government also issued Government Regulation Number 71 of 2010 concerning Government Accounting Standards and Government Regulation Number 12 of 2019 concerning Regional Financial Management which is the legal basis for the government in conducting financial management (Putra & Varina, 2021). The above regulations were created to achieve harmony between financial management carried out by the government with the standards and regulations that apply.

To realize good governance, commonly referred to as Good Governance (GG), the government applies several principles, including accountability and transparency, which are benchmarks for the

community in viewing how the government manages government finances and how it is helpful for its people's interests and is the responsibility of the government for the welfare of society (Sulfiani, 2021). From this management, the government can realize good governance through disclosures in financial reports so that people do not feel disadvantaged by the government (Faridah et al., 2023). Public accountability is the obligation of the agent (manager) to provide accountability, present, report, and disclose all activities that they have carried out to the principal (owner) (Mardiasmo, 2021). Accountability is now something that the government must implement in the implementation of governance.

Previous research explained that Indonesia's local government accountability system had not been implemented effectively and brought all the potential benefits calculated in theoretical accountability and Indonesian government regulations made (Rahmatunnisa, 2018). The findings of this study are invaluable in terms of filling in the gaps in the analysis and information on current practices of local government accountability systems in the reform era Indonesia which has been plagued by several problems such as irregular and incomplete reporting, lack of enforcement, limited local government capacity to produce appropriate reports. Appropriate, corrupt auditor behavior and limited public participation.

In 2019, accountability was the focus of the Indonesian government. This is evidenced by state accountability revitalization projects that aim to increase the accountability of Indonesian government spending. This project has funds sourced from an Asian Development Bank loan of US \$ 90 million or around Rp. 1.26 Trillion. According to Simanjuntak, as ADB's Senior Project Officer, ADB's assistance will later improve performance accountability and supervisory capacity through advanced technology, which will further strengthen transparency, accuracy, accountability, and public service delivery (Cnnindonesia, 2019).

One container that facilitates the creation of public accountability is financial reports. Government financial reports that are comprehensive and prepared following the Government Agency Performance Accountability System are a tool for measuring accountability for financial management implemented by the government. In the process of preparing financial reports, the government requires a system of government internal control which is an integral process of actions and activities carried out continuously by heads of agencies and all employees to provide adequate assurance of achieving organizational goals through effective and efficient activities, reliability of financial reports, safeguarding state assets, and compliance with laws and regulations.

Not only the government's internal control system in submitting local government financial reports, it is necessary to pay attention to the presentation of financial reports. The presentation of financial reports is a form of implementing financial management accountability (Mahmudi, 2015). The existence of a complete presentation of information in financial reports, namely those that meet the qualitative characteristics of financial reports, will create transparency and will later create accountability. The better the presentation of local government financial reports, the more influential it will be to increase the realization of regional financial management accountability (Fauziyah & Handayani, 2017).

In addition, local governments must also provide easy access for users of financial reports. Accessibility is essential because financial reports are not only an internal government need, but the public also has the right to know the details of financial management. Having easy access for users of financial reports will make financial report information transparent so that later financial management

accountability can be achieved. Effective accountability depends on public access to accountability reports and findings report that can be read and understood (Hehanussa, 2015).

Regarding public accountability, the Aceh Provincial government is one of the governments that has received an Unqualified Opinion (WTP) consecutively. During 2015, 2016, 2017, 2018, and 2019, the Aceh provincial government received WTP opinions for four consecutive years. According to Pamungkas, as the Main Auditor for State Finance V of BPK RI, this achievement will further momentum to encourage the creation of financial accountability and transparency to become a shared pride that should be maintained (Aceh, 2019). However, achieving WTP opinion does not necessarily make Aceh free from corruption. KPK deputy chairman Syarif (2019) said that six provinces in Indonesia have won corruption cases. The assessment is based on the results of KPK research, in which regional heads involved in corruption are one of the bases for this assessment. The six provinces are Aceh, North Sumatra, Riau, Banten, Papua, and West Papua (Raharjo, 2019).

Not only was there corruption found by the BPK, other things related to the transparency and accountability of the Government of Aceh were that in 2019, the Aceh Information Commission (KIA) conducted an evaluation of 159 Public Agencies and collaborated with the Aceh Transparency Society (MaTA) where the evaluation of public bodies is an annual agenda for KIA to find out more about BP's compliance in implementing the UU KIP. The evaluation was divided into seven categories, namely 47 Aceh Work Units (SKPA), 24 vertical institutions, 15 BUMN agencies, 16 non-governmental organizations, 14 higher education institutions, and 20 political parties. The final results of the assessment found that there were still many uninformative BPs out of 159 BPs who were judged to be only 1 BP in the informative category, 12 BPs towards informative, 11 BPs quite informative, 13 BPs less informative, and 88 BPs not informative and the remaining 25 were not given an assessment. The Acting Governor said that information disclosure is necessary because information blockage will result in negative assumptions by the public regarding the performance of the public agency itself (Aceh, 2019). The need for more information BP provides is an obstacle to creating transparency and realizing accountability within BP itself.

Several previous studies have examined the factors that influence the accountability of government financial management. The first factor affecting the accountability of government financial management is the government's internal control system. Previous research revealed that there is an influence between the government's internal control system on the accountability of government financial management (Artini & Putra, 2020); (Sari et al., 2017); (Ichlas et al., 2014); (Kartika & Budiono, 2015). However, other studies have revealed no influence of the government's internal control system on the accountability of government financial management (Prabawa et al., 2020).

Another factor researchers examine in the accountability of government financial management is the presentation of financial reports. Previous research states that the presentation of financial reports affects the accountability of local government financial management (Wiyana & Syah, 2016); (Siahaan et al., 2018); (Safitri et al., 2015). In contrast to the results of previous studies, other studies found that the presentation of financial reports does not affect the accountability of local government financial management (Puspa & Prasetyo, 2020).

Other previous research used the variable accessibility of financial reports related to its effect on accountability for government financial management and found results that accessibility has an influence on accountability for local government financial management (Wiyana & Syah, 2016); (Siahaan et al., 2018). This is inversely proportional to other previous studies, which state that the

accessibility of financial reports does not affect the accountability of government financial management (Puspa & Prasetyo, 2020).

Based on the description of the background above, the purpose of this study was to determine and analyze the influence of the government's internal control system, the presentation of financial reports, and the accessibility of financial reports on financial management accountability.

METHODS

This research uses a type of quantitative research method. The population in this study are all government employees within the Aceh Government Work Unit (SKPA) scope. The number of civil servants within the Government of Aceh in 2020 was 21,931. The sampling technique used in this study was purposive sampling, where the researcher wanted to take as many as four samples of respondents per SKPA with the criteria of being a government employee who was the executor of direct financial management, namely the Head of Finance, Receiving Treasurer, Expenditure Treasurer, and Receiving/Expenditure Assistant Treasurer. The data analysis technique used in this research is the validity test, reliability test, classical assumption test, and multiple regression analysis.

RESULTS AND DISCUSSION

Validity Testing Results

The results of the study show that all statements are valid because they have a correlation value above the critical value ($N=188$), which indicates several 0.1432 (see table of the critical value correlation r *product-moment*) or has a significant value for all the question items below 5%.

Reliability Testing Results

Based on the reliability analysis, it can be seen that the alpha for each variable, namely the financial management accountability variable (Y), obtained an *alpha value* of 0.918, the government internal control system variable (X_1) obtained an *alpha value* of 0.868, presentation of financial statements (X_2) obtained an *alpha value* of 0.846, and the financial statement accessibility variable (X_3) obtained an *alpha value* of 0.888. So it can be concluded that the questionnaire that has been designed can be used to reveal specific symptoms from a group of individuals even though it is done at different times.

Classical Assumption Testing Results

The classical assumption test is carried out to make the regression model a BLUE (*Best Linear Unbiased Estimator*) model. The classic assumption test includes normality, multicollinearity, and heteroscedasticity tests.

Normality Testing

Table 1. One-Sample Kolmogorov-Smirnov Test

		UR
N		1 88
Normal Parameters ^{a,b}	Means	.0000000
	Std. Deviation	.45195803
Most Extreme Differences	absolute	.0 60
	Positive	.0 55
	Negative	-.0 60
Kolmogorov-Smirnov Z		.0 60
asympt. Sig. (2-tailed)		.091c

UR

- a. Test distribution is Normal.
- b. It is calculated from data.

Based on Table 1. it can be concluded that the Asymp. Sig. (2-tailed) normally distributed or spread because of the Asymp value. Sig. (2-tailed) of 0.091, which means > 0.05 (5%). After the variables are spread commonly, other statistical tests can be carried out.

Multicollinearity Testing

Table 2. Multicollinearity Test Results

Coefficients ^a		
Model	Collinearity tolerance	VIF
(Constant)		
SPI	.516	1938
1 PLK	.369	2,713
ALK	.511	1958

a. Dependent Variable: APK

Source: SPSS *Outputs* (2021)

Tolerance values for all independent variables are above 0.10, and *VIF (Variance Inflation Factor)* values for no independent variables are above 10. Thus, the data concludes that there are no symptoms of multicollinearity.

Heteroscedasticity Testing

In this study, to detect heteroscedasticity used scatterplot graphics. It can be concluded that the regression model used is free from heteroscedasticity if the distribution of points on the graph is evenly distributed.

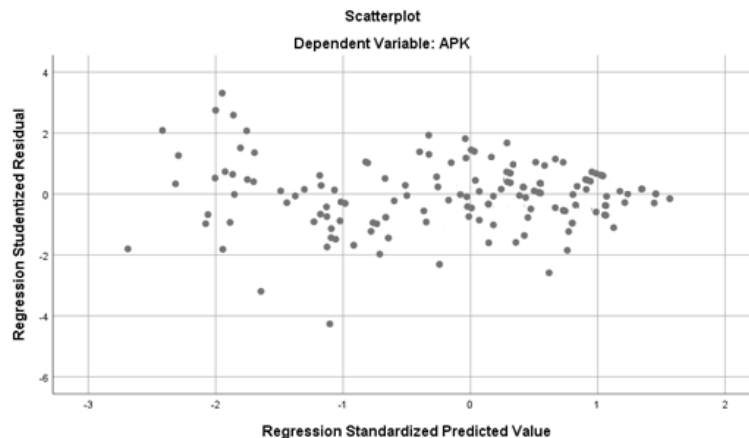


Figure 2. Scatterplot Standardized Residuals

The test results obtained from Figure 2. show that there is no specific pattern, and the points are spread evenly. This implies that the regression model does not find heteroscedasticity.

Test Results of Multiple Linear Regression Analysis

Multiple linear regression analysis is intended to obtain a regression coefficient to decide whether the hypothesis will be accepted or rejected.

Table 4. Multiple Linear Regression Coefficient Test Results.

	Model	Q	Sig.
1	(Constant)	1,192	.235
	SPI	5024	.000
	PLK	7,078	.000
	ALK	2078	.036

Source: SPSS Outputs (2021)

SPSS output results (*coefficients*) and multiple regression equations (*multiple regression*) can be obtained as follows:

$$Y = 0.243 + 0.278X_1 + 0.569X_2 + 0.119X_3 + e$$

The partial test results can be seen in Table 4 with the conclusion:

- 1) Based on Table 4, the t_{count} value of the government's internal control system is 5,024, while the t_{table} value is 1.97. As previously explained, if $t_{count} > t_{table}$ with a significant level of 5%, then h_0 can be accepted. So it can be concluded from the table above that h_0 for the variable government internal control system is acceptable because $5.024 > 1.97$. That is, the government's internal control system influences financial management accountability.
- 2) Based on Table 4, the t_{count} value for presenting financial statements is 7,078, while the t_{table} value is 1.97. As previously explained, if $t_{count} > t_{table}$ with a significant level of 5%, then h_0 can be accepted. So it can be concluded from the table above that h_0 for the financial statement presentation variable is acceptable because $7.078 > 1.97$. That is, the presentation of financial statements influences financial management accountability.
- 3) Based on Table 4, the t_{count} value for the accessibility of financial statements is 2.078, while the t_{table} value is 1.97. As previously explained, if $t_{count} > t_{table}$ with a significant level of 5%, then h_0 can be accepted. So it can be concluded from the table above that h_0 for the financial statement accessibility variable is acceptable because $2.078 > 1.97$. That is, the accessibility of financial reports influences financial management accountability.

Determination Coefficient Test (R^2)

The coefficient of determination test (R^2) aims to measure how the model can explain variations in the dependent variable. The results of testing the coefficient of determination can be seen in Table 5.

Table 5. Results of the Coefficient of Determination

Model	R	R Square	Adjusted R Square
1	0.819a	0.671	0.665

Source: SPSS Outputs (2021)

Based on Table 6, it is known that the coefficient of determination (R^2) is 0.671, which means that 67.1% of changes in financial management accountability are influenced by the government's internal control system variable (X_1), presentation of financial reports (X_2), and accessibility of financial reports (X_3), while the rest is influenced by other variables not used in the study.

The Influence of the Government's Internal Control System on Financial Management Accountability

The results of this study also support the results of previous studies, which were used as references in this study (Artini & Putra, 2020): (Sari et al., 2017): (Ichlas et al., 2014): (Kartika & Budiono, 2015). In this study, it was said that accountability can be realized if each agency implements

an appropriate internal control system. This is because, in the internal control system, an agency must present accountable financial reports; that can be accounted for (Sari et al., 2017).

The better the government's internal control system, the better the accountability of government financial management carried out by the government. Following the implications of *stewardship theory*, *stewards* will achieve the leading results shown for the benefit of the organization/community where accountability for financial management is one of the interests of society that must also be considered by stewards so that a good government internal control system is needed which is one of the factors that can create accountability for sound financial management as well. The better the government's internal control over the financial management process carried out by the government in carrying out its duties, it will make the government produce informative and also reliable financial reports where, creates security for state-owned assets, and guarantees compliance and compliance of each agency with laws and regulations. invitation (Sari et al., 2017).

Effect of Presentation of Financial Statements on Financial Management Accountability

The results of this study also support the results of previous studies, which were used as references in this study (Wiyana & Syah, 2016); (Siahaan et al., 2018); (Safitri et al., 2015). In this study, it was said that the presentation of complete information in financial reports would create transparency and later create accountability, so the better the presentation of government financial reports, the better the accountability of regional financial management would be.

Presentation of financial reports is a form of implementing financial management accountability, so local governments must present financial reports properly to create accountability for sound financial management. This also becomes an implication of *stewardship theory* which requires the government as stewards to *achieve* organizational / community satisfaction (Mahmudi, 2015).

The better the presentation of financial reports carried out by the local government, the more complex and detailed the explanation of financial management accountability that has been carried out so that this indicates that the government has achieved financial management accountability.

Financial reports that are adequately prepared and presented following applicable government accounting standards also reflect the accountability for financial management carried out by the government, creating accountability in financial management.

Effect of Accessibility of Financial Statements on Accountability of Financial Management.

The results of this study also support the results of previous studies, which were used as references in this study (Wiyana & Syah, 2016); (Siahaan et al., 2018); (Abi et al., 2018). This study says that effective accountability depends on public access to financial reports that can be read and understood. Accessibility is the ease of accessing financial reports. The ability to provide accessibility and the level of disclosure of financial reports to stakeholders is a criterion that determines the level of regional financial accountability (Mardiasmo, 2021).

Effective accountability depends on public access to accountability reports and findings report that can be read and understood; this also makes the accessibility of financial reports one of the factors that influence the accountability of local government financial management (Safitri et al., 2015). Providing access to government financial reports to internal and external users is also one of the implications of *stewardship theory* in government, where this makes the government as stewards also achieve organizational/community satisfaction by providing access to local government financial reports.

CONCLUSION

The results of this study state that simultaneously, the government's internal control system, presentation of financial reports, and accessibility of financial reports have a significant positive effect on accountability for the financial management of the Aceh provincial government. Partially, the government's internal control system, presentation of financial reports, and accessibility of financial reports significantly positively affect the accountability of the Aceh provincial government's financial management.

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