

Enhancing Regional Financial Quality: The Role of Government Accounting Standards, Human Resource Capability, and IT Utilization

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Abstract

Keywords:

Quality of Government Financial Report;
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Capacity of Human Resources;
The Utilization of Information Technology;

This research aim to know the effect of goferment accounting standards, capacity of human resources, and the utilization of information technology on the quality of region's financial reporting in Central Jakarta. The object for this research was done 60 responden from 13 Unit Kerja Perangkat Daerah (UKPD) of part of financial employee in Central Jakarta. This research used a quantitative approach, using primary data through questionnaires. Data analysis method used in this research is multiple regression with the help of SPSS version 22.0.

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The result of this research show that either of (t) parsial test the variable of implementation of government accounting standards and internal control system infuelnce on the quality of financial report for local government, however the capacity of human resources no influence on the quality of financial report for local government. And the result from (f) simoultant test the variable implementation of government accounting standards. Capacity human resources, and the utilization of information technology together have a influence on the quality of financial report for local government.

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INTRODUCTION

The current of reform also affected all areas of life, the main highlight of the implementation of reform was in the field of government bureaucracy by demanding management for a much better government. Relating to government reform to better link the quality of financial statements.

In Indonesia, the development of accounting in the public sector is increasingly rapid with the existence of the reform era in the implementation of regional government policies specifically on the quality of financial reports. With the existence of regional autonomy, financial management is entirely in the hands of the regional government. In

line with the implementation of regional autonomy, a good accounting system is needed because accounting systems are a supporter of the creation of accountable regional financial management, in order to manage funds with a transparent, efficient, effective, and accountable decentralized system. And control supervision is needed in accounting records of regional financial statements.

The financial report of a government or an institution is a form of accountability for the implementation of the State Budget in the form of a Budget Realization Report (LRA), Balance Sheet Report, and Report Notes Finance (CALK). Government financial statements should be reliable in providing information regarding the financial position of the agency. Reliability of a financial report can be tested and confirmed its reliability with financial reports produced by an organization or institution with the reconciliation process.

Public sector accounting has a major role in preparing financial reports as a form of implementing public accountability. Accounting and financial statements contain the meaning of a process of gathering, processing, and communicating information that is useful for decision making and for assessing organizational performance.

One of the benefits of financial statements is to see the conditions of both the company and the government. Likewise, the local government financial report (LKPD) can reflect how the region is responsible for managing its revenue and regional budget. The government is obliged to account for the financial implementation based on the planned plan. In its preparation, a clear, precise and measurable financial reporting system is needed in accordance with the principles of transparency and accountability. The government's success is by realizing quality local government financial reports (LKPD).

In accordance with Law No. 15 of 2004, the LKPD will be examined by the Financial Supervisory Board or BPK and will get an opinion that shows the value of the financial report itself. There are 4 types of BPK Opinion: namely Unqualified Opinion (WTP), Fair Opinion With Exceptions (WDP), Unqualified Opinion (TW) and statement refused to give opinion. LKPDs that are considered good if they receive a reasonable opinion without exception, because this means that reported by the regional authorities are in accordance with the conditions specified and can be said to have been presented and disclosed relevantly, reliably and reliably can also be compared Utami et al. (2020) since the implementation of autonomy regions each regional government, both district / city and provincial governments are required to issue financial reports as a form of accountability for the end of the fiscal year and must be audited by the BPK Ketut (2009).

The application of the accounting system of a country's government will depend on the prevailing laws and regulations in the country concerned. In Indonesia, the government has issued a policy package on management of state finances, namely: Determination of Law Number 17 Year 2003 concerning State Finance, Law Number 1 Year 2004 concerning State Treasury, Law Number 15 Year 2004 concerning Management and Responsibility Examination Answering State Finance. Law Number 33 Year 2004 concerning Central and Regional Financial Balance, Government Regulation 17 Number 58 Year 2005 concerning Regional Financial Management, Minister of Home Affairs Regulation Number 13 Year 2006 concerning Guidelines for Regional Financial Management. Issuance of Minister of Home Affairs Regulation Number 59 of 2007 concerning amendments to Minister of Home Affairs Regulation Number 13 of 2006 concerning Guidelines for Regional Financial Management. In addition, there is Law Number 12 Year 2008 which is the second amendment to Law Number 32 Year 2004 concerning regional government, which needs to stipulate government regulations

regarding Government Accounting Standards. The government also issued Government Regulation Number 71 of 2010 concerning Government Accounting Standards (SAP).

Although a set of laws and regulations regarding financial management are adequate, the implementation of state financial management is still vulnerable to fraud, irregularities, and misuse of public money. The implementation of the financial system in practice is inseparable from the perceptions, insights, and professionalism of the government apparatus itself Jannah & Nugroho (2019:4). Arrangements that are not in accordance with the rules will certainly harm the region, potential regional deficiencies, inefficiencies, weak administration, and lack reception. In this case, one of them we can see the results of the examination of regional financial statements in the DKI Jakarta Provincial Government in the last 5 years from 2011 to 2015. As previously explained, a good opinion on a regional financial report after being audited by the BPK is Unqualified, can be seen in the table below:

Table 1. Development of LKPD Opinions 2011 to 2015

LKPD (Years)	Opinion
2011	WTP
2012	WTP
2013	WDP
2014	WDP
2015	WDP

Source: www.jakarta.bpk.go.id

Viewed from the table above, it presents the results of the examination of the Regional Financial Statements that the BPK gave good opinions in 2011 and 2012, namely Fair Without Exception, which is the best opinion for a regional financial report. However, in the last 3 years, the financial statements have a fair opinion with exceptions, this means that there is a decrease in the quality of the financial statements presented. The regional government should be able to maintain a reasonable opinion without exception as a form of good and maximum accountability for the development of the region. In this case there are many factors that cause the decline in the quality of the financial statements, besides the weak implementation of the government accounting system, it can also be from the quality of the declining resources, also the timeliness of inappropriate reporting, due to weak utilization of weak information and internal control technology .

The connection of several factors above can indeed greatly affect the quality of financial statements, because with maximum support and facilities, a region can provide truly good financial reports each year. In the explanation of Article 16 of Law Number 15 of 2004 it is explained that opinion is a professional statement of the examiner concerning the reasonableness of financial information presented in financial statements based on criteria (1) conformity with government accounting standards, (2) adequacy of disclosures (adequate disclosures), (3) compliance with laws and regulations, and (4) effectiveness of the internal control system.

The implementation of government accounting standards is explained to have an effect on the quality of local government financial reports in a study conducted by Kharis in 2016 which results based on testing proved to be very significant.

Financial reports are the results of accounting disciplines. Therefore, it takes Human Resources (HR) who are experts or competent to produce a quality financial report. Human Resource Competence is the ability of an individual or an organization (institution) or a system to carry out its functions or authority to achieve its objectives effectively and efficiently. Competence must be seen as the ability to achieve

performance, to produce outputs and outcomes (Ihsanti, 2014). From the table of decreases in the results of the financial statement opinion above, it can be said that there is an important role that must be analyzed in terms of the influence and role of human resources so that it can produce a quality financial report or not.

In addition, because of the affirmation of the results of the BPK examination, it shows that the decline in opinion results can also be influenced by human resources who have limited capacity. In a study conducted by Kharis in 2016 stated the capacity of human resources influences the quality of financial reports of local governments. Healthy and good regional financial management in creating good governance must also be followed by competent human resources. But it has become a common problem in the institution of the local government that for the arrangement of personnel, it is often done not in accordance with the needs both in quantity and quality (capable). From the aspect of quality, the personnel arrangement carried out sometimes does not follow the principle of "the right man on the right place". This is very much related to the development of organizations that only consider the temporary authority of the quality of existing human resources that do not yet have competencies that should be fulfilled (Inapty & Martiningsih, 2016).

In the timeliness, effectiveness, and efficiency of a financial report must be supported by its information technology. The use of information technology affects the value of government financial reporting information. According to Hartono (2018) explained that timely information is part of the value of information (understanding) can be achieved through the role of component technology. Information is a product of an information technology system that plays a role in providing useful information for decision makers within the organization, including in terms of reporting, so as to support the decision making process more effectively.

It is known that information technology, among others, the speed of transaction processing, accuracy of calculations, storage of large amounts of data, lower processing costs, multiprocessing capabilities, but the implementation of information technology is not cheap. Based on the phenomena and problems related to the local government financial statements described above, it can be concluded that the financial statements The result is still not fulfilling the required criteria for information value. Based on Government Accounting Standards (SAP) No 01 - Qualitative Characteristics of Financial Reports, the qualitative characteristics of financial statements are normative measures that need to be realized in accounting information so that they can fulfill their objectives or produce quality information for decision making that is relevant, reliable, comparable, and can be understood.

The reason for the author to examine in more detail for the factors that affect financial statements which include starting from government accounting standards implemented, competent human resources, the use of information technology that can help process financial statements that affect the quality of financial statements. The location that the author will distribute the questionnaire is the Central Jakarta Administrative City Office. Where the central Jakarta administrative city is one of the administrative areas of the Special Capital Region of Jakarta which is headed by a mayor who was formed based on the Decree of the Governor of DKI Jakarta No. Id.3 / I / I 66 dated August 12, 1966. It is a development area which is included in the Jakarta Special Capital Region. As the center of government, protocol lines, representatives of foreign countries, government and private offices. (source: jakarta.go.id).

Based on the explanation and description of the theory above, the writer would like to further examine "THE EFFECT OF APPLICATION OF GOVERNMENT

ACCOUNTING STANDARDS, HUMAN RESOURCES CAPACITY AND UTILIZATION OF INFORMATION TECHNOLOGY ON THE QUALITY OF REGIONAL GOVERNMENT FINANCIAL REPORTS" Empirical Study in Central Jakarta City Administration April - September 2017 Period.

In order for this research to be more focused, perfect, and in-depth, the authors view the research problems raised need to be limited by variables. Therefore, the authors limit themselves only related to "The Effect of Application of Government Accounting Standards, Capacity of Human Resources, and Use of Information Technology on the Quality of Local Government Financial Reports". As for measuring how big the influence of each variable is by using a questionnaire that was distributed and focused on the Central Jakarta Administration Office of the April - September 2017 Period.

LITERATURE REVIEW

2.1. Agency Theory

According to Nurillah & Muid (2014), stating the relation to agency problems, financial reporting practice in public sector organizations is a concept based on agency theory. In terms of financial reporting, the government acting as an agent has the obligation to present information that is useful for users of government financial information who act as principals in assessing accountability and making decisions both economic, social and political decisions and either directly or indirectly through representatives. his deputy.

According to Elviana (2017) The theory of relations between the two parties is known as agency theory. Agency relations, namely there are two parties who make an agreement or contract, namely those who give authority or power (principal) and who accept authority (agent). An organization of this relationship is in the form of a vertical, namely between the superior (as principal) and the subordinate (as an agent).

Jensen & Meckling (1976) describe agency relationships as "agency relationship as a contract under which one or more people engage the other person (the agent) to perform some service on their behalf which involves delegating some decision making authority to the agent " Agency relationship is where one or more people (principals) government other people (agents) to do a service on behalf of the principal and give authority to the agent to make the best decision for the principal.

In a democratic government, the relationship between the government and the users of government financial information can be described as an agency relationship. Public accountability consists of two types, namely: 1) accountability for managing funds to higher authorities (vertical accountability), and 2) accountability to the wider community (horizontal accountability).

2.2 Quality of Financial Statements

The quality of financial statements can be said to be good, if the information presented in the financial statements can be understood, and meets the needs of users in decision making, free from misleading notions, material errors and reliable, so that financial statements can be compared with previous periods. However, it needs to be realized that financial statements do not provide all information that may be needed by users in making economic decisions. In general, financial statements describe the effects of past events, and are not required to provide non-financial information (Shamil et al., 2014).

The definition of financial statements according to Mahmudi (2016:1) is a form of government accountability to the people for the management of public funds both from taxes, levies or other transactions. According to Wahbah (2010:25) that the characteristics of financial statements are normative measures that need to be realized in accounting information so that it can fulfill its objectives. The following four characteristics are the normative prerequisites needed so that the government's financial statements can meet the desired quality, namely: 1) relevant, 2) reliable, 3) can be compared and 4) can be understood.

According to Tanjung (2019:13), stating the quality of financial statements are as follows: "The quality of financial statements is normative measures that need to be realized in accounting information so that it can fulfill its objectives".

According to Quality Financial Reporting IFRS (International Financial Deloitte Reporting Standard) there are other ways to improve the quality of financial statements, namely: a. Using a language style that is simple and easy to understand b. Identify and explain what are the causes of changes, changes that are intended here are changes in circumstances or changes in accounting standards c. Improve processes and procedures for selecting estimates, formulating assessments, and also choosing simpler principles.

Characteristics in qualitative financial statements are normative measures that need to be realized in accounting information so that they can fulfill their objectives. These four characteristics are normative prerequisites that are needed so that government financial reports can meet the intended quality, namely relevant, reliable, comparable and understandable.

a. Relevant

The financial statements are said to be relevant if the information contained influence user decisions to help them evaluate past or present events, also to predict the future, confirm or correct the results of past evaluations. Thus, relevant financial statement information can be related to the intended use.

b. Reliable

Financial statements are said to be reliable if the information is on it is free from misleading notions and material errors, presents every fact honestly, and can be verified.

c. Can be compared

Information in the financial statements will be more useful if it can be compared with the financial statements of the previous period or the financial statements of other reporting entities in general. Comparison is done internally and externally. Internal comparisons are made if an entity applies the same accounting policy from year to year. External comparisons can be made if the comparable entity applies the same accounting policy. If a government entity applies accounting policies that are better than the accounting policies currently being applied, these changes are disclosed in the period of change.

d. Can be understood

The information presented can be understood by the user and expressed in the form also in terms that are adapted to the limits of the user's understanding. Therefore, the user is assumed to have adequate knowledge of the activities and operating environment of the reporting entity, as well as the willingness to learn the information in question

2.3 Application of Government Accounting Standards (SAP)

Large demands on the implementation of public accountability have implications for public sector management to provide information to the public, one of which is accounting information in the form of financial statements (Putri, 2014).

One concrete effort in realizing the transparency and accountability of a country's financial management is the submission of state financial accountability reports that have met the principles of time are also compiled according to the appropriate Government Accounting Standards. The basic financial statements according to SAP are: 1) Budget Realization Reports, 2) Balance Sheet, 3) Cash Flow Reports and 4) Notes to Financial Statements (Husain, 2015).

According to Shamil et al. (2014), government accounting standards are accounting principles applied in compiling and presenting government financial reports, consisting of Central Government Financial Reports (LKPP) and Local Government Financial Reports (LKPD), in order to realize transparency and accountability government accounting, as well as improving the quality of LKPP and LKPD. According to Government Regulation No. 71 of 2010 concerning Government Accounting Standards, government accounting standards are accounting principles established in compiling and presenting government financial reports. Based on the above meanings, it can be said that accounting standards of government are accounting principles in preparing and presenting government financial statements.

According to Nurlaila (2014), the principles of financial accounting and reporting are intended as provisions that are understood and adhered to by standard makers in setting standards, administrators of accounting and financial reporting in carrying out their activities, and users of financial statements to understand the financial statements presented. The eight principles used in government financial accounting and reporting are accounting basis, historical value, realization, substance outperforming, period, consistency, full disclosure, and fair presentation.

a. Accounting Base

The accounting base used in government financial statements is the accrual basis, for recognition of income-LO, expenses, assets, liabilities, and equity. In the case of legislation requiring the presentation of financial statements on a cash basis, the entity must present such reports.

b. Historical Value

Assets are recorded at the expense of cash and cash equivalents paid or the fair value of consideration to obtain these assets at the time of acquisition. Obligations are recorded at the amount of cash and cash equivalents that are expected to be paid to meet future obligations in implementing government activities.

c. Realization

For the government, available cash base income has already been authorized through the government budget an accounting period will used to pay off debts and spending in that period.

Considering that the Budget Realization Report is still a compulsory report, the cash basis income or expenditure is recognized after being authorized through the budget and has added or reduced cash.

d. Substance to Outperform Formal Forms (Substance Over Form)

Information is intended to present fairly the transactions and other events that should be presented, then the transaction or other events need to be recorded and presented in accordance with the substance and economic reality, and not just the aspects of its formality. If the substance of a transaction or other event is inconsistent / different

from the aspect of its formality, then this must be clearly stated in the Notes to the Financial Report.

e. Periodicity

The accounting entity reporting and financial reporting activities need to be divided into reporting periods so that the performance of the entity can be measured and the position of the resources it has can be determined.

f. Consistency

The same accounting treatment is applied to events that often range from period to period by a reporting entity (the principle of internal consistency). This does not mean that there should be no change from one accounting method to another accounting method.

g. Full Disclosure

The financial report provides complete information needed by the user. Information needed by users of financial statements can be placed on the face of the financial statements or notes to financial statements..

h. Fair Presentation

The financial statements present fairly the Realization Report Budget, Report on Changes in More Budget Balance, Balance Sheet, Report Operations, Cash Flow Reports, Changes in Equity Reports, and Notes to Financial Statements.

2.4 Capacity of Human Resources (HR)

According to Nurillah & Muid (2014) the competence of human resources includes its capacity, namely the ability of a person or individual, an organization (institution), or a system can carry out its functions or authority to achieve its objectives effectively and efficiently.

According to Maulidah et al. (2019), human resource capacity is the ability of a person or an individual, an organization (institution), or a system to carry out its functions or authority to achieve its objectives effectively and efficiently. The ability of a person or individual in an organization or institution can be seen from the achievement of goals and effectiveness and efficiency of performance so as to produce an output (outputs) and results (outcomes).

Human resources are the main supporting pillar and drive the organization in an effort to realize the vision and mission and goals of the organization. Human resources are one of the most important elements of the organization, therefore it must be ensured that human resource management is carried out as well as possible so as to be able to contribute optimally in efforts to achieve organizational goals (Serra Cantallops & Salvi, 2014).

According to Riandi (2017) the skills, knowledge and abilities possessed by human resources are very important because these three things are the main things that must be owned. The quality of the financial statements prepared, managed and reported is very dependent on these three things. Competence is the characteristic that underlies a person achieving high performance in his work. Employees who do not have sufficient knowledge in work will encounter many obstacles that result in waste of material, time and energy (Maulidah et al., 2019).

In accordance with the explanation above it can be concluded that human resources are one of the important things. Because human resources will play an active role in the process of reporting financial information from the initial process to the end. In addition, human resource capacity is also directly related to the suitability of the financial

statements presented in relation to established government regulations. So the information presented is very dependent on human resources in this case, namely employees.

2.5 Use of Information Technology

Regional governments are obliged to develop and utilize information technology advancements that are useful for improving the ability to manage regional finance in accordance with Government Regulation No. 56 of 2005 concerning the Regional Financial Information System.

Technology is a machine for running information systems. Technology captures input, runs models, stores and accesses data, generates and delivers output, and controls the entire system. In computer-based information systems, technology consists of three components, namely computers, data storage outside (auxiliary storage), telecommunications, and software (software) (Mulyadi et al., 2016).

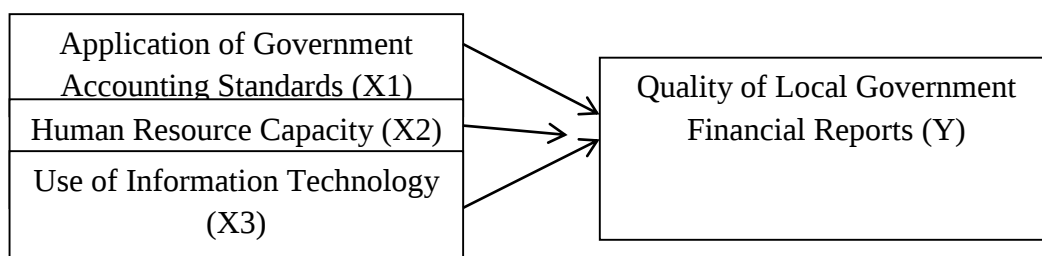
Utilization of IT in carrying out accounting tasks but the following are also of concern:

- 1) The accounting / finance department has enough computers to carry out the task
- 2) An internet network has been installed in the work unit
- 3) Computer networks have been used as a liaison between work units in sending data and information needed
- 4) The accounting process from the beginning of the transaction to the preparation of financial statements is carried out computercially
- 5) Processing financial transaction data using software in accordance with the laws and regulations
- 6) Accounting and managerial reports are generated from an integrated system
- 7) Regular equipment maintenance schedules
- 8) Equipment that is outdated or damaged in the data and is repaired on time (Solihin, 2009).

Utilizing technological advances is not only in computer technology. The internet network can also be used in managing local government finances and services to the general public, one of which is the ease of accessing the profile of the local government through the relevant local government official website. In Government Regulation No. 56 of 2005 concerning the Regional Finance Information System stated that the site is a way to display the profile of local governments on the internet with the aim of among others delivering announcements or notifications, providing services to the public, and receiving input from the public.

The use of information technology includes data processing, information processing, and work processes electronically with the intention of being able to provide services to the public with ease and mercy to access financial information. In addition, data processing with the help of computers will clearly be able to improve the quality of reported financial information. As an example of the application of technology utilization in the public sector in addition to providing convenience in accessing financial data, among others, assisting the process of making Identity Cards (KTP).

Figure 1. Conceptual Framework



RESEARCH METHODS

3.1 Place and Research Period

The time of this study began in April 2017 until September 2017 and the place of this research was conducted in the scope of the city administration of DKI Jakarta, specifically the Central Jakarta Administration Office.

3.2 Population and Sample

Population is a generalization area consisting of objects / subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn (Sugiyono, 2013). Population in this study is 13 Regional Government Work Units (UKPD) in Central Jakarta Administrative City. According to Sugiyono (2013) purposive sampling is a technique for determining research samples aimed at making the data obtained later representative. The criteria of the respondents are financial / accounting staff including employees who make financial reports and those who are considered to have a large contribution in preparing financial reports for each UKPD. Samples are part of the population (part or representative of the population studied). Sampling of respondents is done purposive sampling. Purposive sampling is used because the information that will be taken comes from sources that are deliberately chosen based on the criteria set by the researcher (Nurillah & Muid, 2014).

3.3 Data Types and Sources

1. Field research
Performed directly on the object under study, namely employees or staff working at the specified UKPD Office.
2. This study uses primary data by distributing questionnaires that have been prepared. The questionnaire survey is a survey method using a research questionnaire. The research questionnaire was submitted directly to the respondent or asked for help from one of the UKPD employees to coordinate the distribution and collection of questionnaires in the UKPD.
3. Literature
This study uses data collection techniques where researchers use books, journals and other devices related to the theory according to the theme of the thesis.

3.4 Definition of Variable Operations

According to Nazir (2009) the operational definition of a variable is a definition given to a variable or construct by According to Sugiyono (2013:38) research variables are an attribute or the nature or value of people, objects or activities that have certain variations determined by researchers to be studied and then conclusions drawn.

a. Dependent Variable

Dependent variable is a variable that is the main concern of researchers (Sekaran & Bougie, 2016). The dependent variable in this study is the Quality of Local Government Financial Statements (Y).

1) Quality of Local Government Financial Reports

In Government Regulation Number 71 of 2010, the quality of financial statements can be seen from the qualitative characteristics of these financial statements. The qualitative characteristics of financial statements are normative measures that need to be realized in accounting information so that they can fulfill their objectives. The qualitative characteristics of government financial statements are: relevant, reliable, comparable, and understandable. Quality Variables of Local Government Financial Reports with Ariesta (2017) research instruments that have modified the statement sentences and add some statements from instruments used by Pusparisa & Bayu (2021) ..

b. Independent Variables

Independent variables are variables that influence other variables both positively and negatively (Sekaran & Bougie, 2016). Independent variables in this study are the Application of Government Accounting Standards or SAP (X1), Capacity of Human Resources (X2), and Utilization of Technology Information (X3).

1) Application of Government Accounting Standards

Accounting principles applied in compiling and presenting government financial reports. Indicators of government accounting standard variables are seen from the Statement of Government Accounting Standards (PSAP) in accordance with Government Regulation Number 71 of 2010. Variables of regional government accounting standards are measured (Elviana, 2017).

2) Capacity of Human Resources

Human resources are a buffer to achieve the goals of the organization. The ability of human resources in an organization or institution can be seen from the achievement of goals and effectiveness and performance efficiency that produce outcomes. Indicator of variable human resource capacity seen from Responsibility, Training, and Experience. Human Resource Capacity Variables are measured by Ariesta (2017) research instrument which has modified the statement sentence and added several statements from the instrument that was used by (Baker & Kapoor, 2015).

3) Use of Information Technology

The use of information technology includes the existence of (a) data processing, information processing, management systems and electronic work processes and (b) the utilization of information technology advances so that public services can be accessed easily and cheaply by the community (Hong & Razak, 2015). The use of information technology is the optimal use of computers (mainframes, mini, micro), software (software), databases, networks (internet, intranet), electronic commerce, and other types of technology-related. The variable information technology utilization is measured by Elviana (2017).

RESULTS AND DISCUSSION

4.1 Description of Respondent Data

The quality of financial statements are normative measures that need to be realized in accounting information so that they can meet their objectives. For the variable quality of local government financial statements have a minimum value of 27 and a maximum value of 45. divided by the number of statements of 9, so the minimum respondent answers neutral while the maximum answer of respondents strongly agrees.

Description of Research Variables

4.2.1 Description of the Debt to Equity Ratio

Table 2. No of Employee

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
SAP	60	53	83	69.48	5.592
SDM	60	22	37	30.77	3.929
TI	60	21	35	28.45	2.770
LK	60	27	45	37.40	4.060
Valid N (listwise)	60				

Sources: Data Processed (2019)

Government Accounting Standards (SAP) are accounting principles applied in preparing and presenting government financial reports. For the variable implementation of government accounting standards for 60 respondents has a minimum value of 53 and a maximum value of 83 divided by the number of statements as many as 17, so the minimum respondent answers neutral and agrees while the maximum answer of respondents on agrees and strongly agrees

4.2.2 Description of the Human Resources Capacity

Table 3.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
SAP	60	53	83	69.48	5.592
SDM	60	22	37	30.77	3.929
TI	60	21	35	28.45	2.770
LK	60	27	45	37.40	4.060
Valid N (listwise)	60				

Sources: Data Processed (2019)

The capacity of human resources to carry out their duties and functions as financial managers based on guidelines regarding existing accounting processes. For the variable human resource capacity of 60 respondents has a minimum value of 22 and a maximum value of 37 divided by the number of statements of 8, so the minimum respondent answers disagree and neutral while the maximum answer of the respondent agrees and strongly agrees.

4.2.3 Utilization of Information Technology

Table 4.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
SAP	60	53	83	69.48	5.592
SDM	60	22	37	30.77	3.929
TI	60	21	35	28.45	2.770
LK	60	27	45	37.40	4.060
Valid N (listwise)	60				

Sources: Data Processed (2019)

Utilization of information technology includes data processing, information processing, management systems and work processes electronically as well as utilizing information technology advancements so that public services can be accessed easily. For the variable information technology utilization of 60 respondents has a minimum value of 21 and a maximum value of 35 divided by the number of statements of 7, so the minimum respondent answers neutral while the maximum answer of respondents strongly agrees.

CONCLUSIONS & SUGGESTION

1. The application of government accounting standards has a significant effect on the quality of local government financial reports in the Central Jakarta City Administration's UKPD. Where the higher the application of government accounting standards, the higher the effect on the quality of local government financial reports. This states that the government accounting standards have been applied well in the Central Jakarta City Administration's UKPD environment.
2. Human resource capacity has no effect on the quality of local government financial reports. Where in the results of this study a high educational background (36 people educated S1 from 60) and the suitability of the accounting department (28 people from 60) had no effect on the preparation of quality local government financial reports and respondents' answers to the indicators provided answered disagreeing and neutral. The capacity of human resources in the Central Jakarta City Administration Unit UKPD even though it is in accordance with accounting education background, but the responsibilities, training and experience have not been implemented properly.
3. The use of information technology affects the quality of local government financial reports. This means that information technology has been utilized to the maximum by UKPD Central Jakarta City Administration employees by scheduling computer maintenance that has been done regularly as well as replacing, paying attention and maintaining on obsolete computers.

To further improve the quality of regional government financial reports, employees, especially the financial department in all government agencies, should be given more in-depth education and training on the application of accrual-based government accounting standards.

It is hoped that the Central Jakarta Administration City Government can improve performance by evaluating all related aspects in order to achieve a Fair Without Exception (WTP) opinion in the DKI Jakarta provincial financial statements. The next researcher is expected to be able to conduct overall research in the work units of the DKI Jakarta Province so that research results are more optimal.

The researcher is then expected to be able to do the testing by adding independent variables or changing research variables to find other variables related to improving the quality of local government financial reports and completing the research methods with other survey methods such as direct interviews and so on.

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