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THE EFFECT OF THE APPLICATION OF PUBLIC SECTOR ACCOUNTING, ACCOUNTABILITY, AND PERFORMANCE TRANSPARENCY ON THE QUALITY OF FINANCIAL STATEMENTS IN COLOMADU SUB-DISTRICT

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Abstrack: This study aims to analyze the effect of the application of public sector accounting, accountability, and performance transparency on the quality of financial reports. The population in this study were village officials and staff at the village office in Colomadu District. Determination of the sample in this study using the simple random sampling method is a sampling technique used by researchers to provide equal opportunity to all member of the population to be selected as member of the sample. The sample consisted of Lurah/Village Head, Hamlet Head, Head of Planning Affairs, and staff. The analysis uses multiple linear regression with a significant level (α) of 0,05. The result of this study indicate that: (1) the application of public sector accounting affect the quality of financial report, this is because the application of public sector accounting can explain the quality of financial reports in government agencies, and also to improve government accounting in the future, (2) accountability affects the quality of financial reports as a form of accountability, (3) performance transparency does not affect the quality of financial reports.

Keywords: Pu*blic sector accounting, accountability, transparency, report quality finance*

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1. Introduction

The results of the work of government agencies that have been achieved, in the context of implementing government affairs in accordance with the field of government that is their responsibility, can be known through information submitted by the government to its people, one of which is financial statements. One of the reforms of state financial management by the government was stipulated by Law No. 17 of 2003 concerning State Finance. In Law No. 17 of 2003, especially in article 31, it is stated that the Governor / Regent / Mayor conveys the accountability of the implementation of the APBD to the DPRD in the form of financial statements Financial statements are a medium for an entity, in this case the government to account for its financial performance to the public. The government must be able to present financial statements containing quality financial information. In Government Accounting Standards (SAP) it is explained that quality financial statements meet the characteristics: Relevant, Reliable, Comparable, and Comprehensible.

With regional autonomy, financial management is entirely in the hands of local governments. In line with the implementation of regional autonomy, a good environmental

arrangement and accounting system are needed, because these two things support the creation of accountable regional financial management, in order to manage funds with a decentralized system in a transparent, efficient, effective, and accountable manner.With the enactment of Law Number 17 of 2003 concerning State Finance which requires central and local government agencies to make financial statements in every accountability for the implementation of the State Budget / D to the DPR / D. The financial statements in question are the Budget Realization Report, Balance Sheet, Cash Flow Statement and Notes to Financial Statements. This proves that in Indonesia, state financial management reform has entered the era of transparency and accountability.

Novandalina & Ernawati (2020) said that public accountability is the provision of information and disclosure of government financial activities and performance to interested parties. Accountability is a form of accountability to the trustee for a performance or program that has been carried out (Septiningtyas, 2018). In the economic sector, improving accountability of government agency performance encourages improvement of the investment climate, while in the political field improving accountability of government agency performance will be able to improve the level of public trust in the government. In addition to accountability, what needs to be done by government agencies in carrying out regional financial management is transparency. Transparency means the obligation for managers to carry out the principle of openness in the decision process and delivery of information. Transparency is built on the basis of the free flow of information, all government processes, institutions and information can be accessed by interested parties, the available information must be adequate so that it can be understood and monitored (Siahaan, 2016).

The application of good accounting by government agencies and optimal supervision of the quality of financial statements of government agencies is expected to improve the accountability of government agencies' performance so that the performance of government affairs can be optimal. (Riantiarno &; Azlina, 2012) affirm that an institution's financial accountability system can run well, if there is a good financial management mechanism. Improving the quality of accountability for the performance of government agencies is expected to have implications for the minimum of corrupt practices so that good governance is expected to be realized by the Government of Indonesia both at the central and regional levels.Currently, Colomadu District has obtained an opinion on fair financial statements with conditions issued by the BPK (Audit Agency) which indicates that the financial statements of the Colomadu District Government are still considered not good so it needs to be improved. We recommend that the Colomadu sub-district government further improve the application of public sector accounting considering that the higher public sector accounting applied, it will improve the quality of financial statements and apply more openness behavior so that the public can easily get information about financial statements that have been prepared to improve the quality of financial statements.

2. Research Method

The research data used by researchers in this study is quantitative data where this quantitative data measures the influence between variables. According to Sugiyono (2017), quantitative data is a research method based on positivistic (concrete data). The data source used in this study is primary data collected directly from the main source with the distribution of questionnaires directly to the field and this questionnaire is in the form of a list of questions related to this study. According to Sugiyono (2018), primary data is a data source that directly

provides data to data collectors. Population is a whole group of individuals, groups, or objects where researchers want to generalize research results (Swarjana, 2022). The population used in this study was village office employees in Colomadu sub-district consisting of village head, village secretary, hamlet head, head of planning affairs and staff with a total population of 141 respondents. A sample is a part of a population selected through several processes with the aim of investigating or studying certain traits of the parent population (Swarjana, 2022). The sample used as many as 83 of all existing populations, using Simple Random Sampling which is a type of probability sampling, where researchers select samples by giving equal opportunities to all members of the population to be designated as sample members. Data analysis techniques using respondent identity description is used to describe respondents based on gender, age, and Education. Linear equations must fulfill the classical assumptions which include the absence of symptoms of normality, multicollinearity and autocorrelation. The F test is carried out by comparing the steps Fcount with Ftable. The Fcount value can be seen from the results of data processing in the ANOVA section. Partially test the hypothesis using the t test. The partial determination coefficient is used to determine the influence of one of the independent variables (X) on the dependent variable (Y) partially.

3. Results and Discussion

3.1. Results

Description of Respondent Identity is the background owned by the respondent himself. This identity is to see what kind of background respondents have in this study the respondents' background is focused on gender, age, and recent education. The results obtained are:

Table 1. Respondent's Gender

Number.	Gender	Frequency	Percentage
1.	Male	73	88
2.	Female	10	12
	Total	**83**	**100**

Source : Processed primary data, 2023

Based on table 1 above, this study used 83 respondents, of which 88% were selected in terms of gender, and the remaining 12% were female. This shows that many financial statements are done by men.

Table 2. Age of Respondents

Number.	Age	Frequency	Percentage
1.	30-40 Years	7	8
2.	≥41 Years	76	92
	Total	**83**	**100**

Source : Processed primary data, 2023

The results of the analysis of table 2 provide an illustration that from the sample taken as many as 83 respondents among village officials and staff, it turns out that in terms of age there are 2 groupings and the most taken at the age of more than the same as 41 years as much as 92% then the age of 30 to 40 years as much as 8%.

Table 3. Respondent's Last Education

Number.	Education		Frequency	Percentage
1.	Bachelor		26	31
2.	SMK/SMA		57	69
	Total		**83**	**100**

Source : Processed primary data, 2023

Based on table 3 above, this study used 83 respondents, of which the selected sample when viewed in terms of the last education as a whole sampled with undergraduate education was 31% and the rest was SMK / SMA as much as 69%. This shows that many financial statements are carried out by those with the last education of SMK / SMA.

The classical assumption test aims to determine the condition of the data needed in research. According to Ghozali (2013) suggests that the normality test aims to find out whether each variable is normally distributed or not.

Table 4. Normally Test Results

Unstandardized Residual	P-value	Information	Unstandardized Residual
Asymp. Sig. (2-tailed)	0,200	Normal Distributed	Asymp. Sig. (2-tailed)

Source: Processed primary data, 2023

Based on table 4, the Kolmogorov Smirnov value is 0.200 with an Asymp value. Sig. (2-tailed) data normality test of 0.200 > 0.05, it can be concluded that the research data is normally distributed.

The multicollinearity test is used to detect the presence or absence of multicollinearity can be seen in the magnitude of Variance Infaltion Factor (VIF) and Tolerance (Gujarati, 2012). VIF serves to determine the presence or absence of independent variables that have similarities between variables in the model by looking at the tolerance value.

Table 5. Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
PASP	0,952	1,051
AKB	0,842	1,187
TKR	0,816	1,226

Source : Processed primary data, 2023

Based on table 5 above, it shows that the tolerance value of the Public Sector Accounting Application variable was obtained 0.952, the Accountability variable was obtained 0.842 and the Performance Transparency variable was obtained 0.816, which means that the tolerance value is greater than 0.1, while the VIF value of the Public Sector Accounting Application variable was obtained 1.051, the Accountability variable was obtained 1.187 and the Performance Transparency variable was obtained 1.226, which means that the VIF value is smaller than 10 so that it can be concluded that multicollinearity does not occur.

Table 6. Autocorrelation Test Results

Model	R	R square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,627	0,394	0,371	2,94280	2,007

Source : SPSS processed data, 2023

The results of the analysis obtained in this study were that the Durbin Watson value was 2,007 with the role of thumb du < d < 4-du, so the data was not correlated or there was no autocorrelation.

Hypothesis

a. Multiple Linear Regression Test

The data analysis technique used in this study is descriptive statistical testing and hypothesis testing. Multiple regression is a test used to determine the effect of more than one independent variable on the dependent variable.

Table 7. Multiple Linear Regression Test

Variabel	B	Std. Error	t	Sig	Information
PASP	0,786	0,135	5,828	0,000	Significant
AKB	0,450	0,123	3,672	0,000	Significant
TKR	0,179	0,134	-1,336	0,185	No Significant
(Constant)	10,525	2,540	4,143	0,000	

Source : SPSS processed data, 2023

Based on table 6 above, the multiple linear regression equation can be formulated as follows:

$$Y = \alpha + (\beta_1)X_1 + (\beta_2)X_2 + (\beta_3)X_3 + e$$

Y = 10,524 + 0,786 Application of Public Sector Accounting + 0,450 Accountability – 0,179 Performance Transparency + e

Information

Y : Quality of Financial Statements in Colomadu District
a : Value of Y if X = 0 (constant)
X1: Application of Public Sector Accounting
X2: Accountability
X3: Performance Transparency
b1 : Regression Coefficient X1 Application of Public Sector Accounting
b2 : Regression Coefficient X2 Accountability
b3 : Regression Coefficient X3 Performance Transparency
e : standard *error*

The explanation of the results of the regression equation is as follows:

a. Based on the multiple linear regression equation above, it can be seen that the constant value is 10.525 which means that if the application of public sector accounting, accountability, and transparency of performance is zero or constant, the quality value of financial statements is 10.525.The Investment Decision coefficient (IC) value of 0.077 indicates that every 1 unit increase in investment decisions is associated with an increase of 0.077 units in the dependent variable. A low standard error of 0.015 indicates the accuracy of the estimated coefficients. A high t value at 5.102 indicates that the investment decision coefficient significantly different from zero. In addition, a significance (Sig) of 0.000 indicates that the investment decision variable has a significant influence on the dependent variable. Thus, it can be concluded that investment decisions have a statistically significant effect on the dependent variable.
b. The regression coefficient of the public sector accounting application (PASP) variable (X1) is positive at 0.786. This means that if the application of public sector accounting increases by one unit, it will increase the quality of financial statements (Y) by 0.786 assuming other variables are considered constant. Conversely, if the application of

public sector accounting decreases by one unit, it will reduce the quality of financial statements (Y) by 0.786 assuming other variables are considered constant.

c. The regression coefficient of the accountability (AKB) variable (X2) is positive at 0.450. This means that if accountability increases by one unit, it will increase the quality of financial statements (Y) by 0.450 assuming other variables are considered constant. Conversely, if accountability decreases by one unit, it will reduce the quality of financial statements (Y) by 0.450 assuming other variables are considered constant.
d. The regression coefficient of the performance transparency (TKR) variable (X3) is negative at -0.179. This means that if performance transparency increases by one unit, it will reduce the quality of financial statements (Y) by 0.179 assuming other variables are considered constant. Conversely, if performance transparency decreases by one unit, it will increase the quality of financial statements (Y) by 0.179 assuming other variables are considered constant

b. Test F (Model Feasibility Test)

The F test aims to find out whether the regression model that has been obtained in research is feasible for hypothesis testing (Ghozali, 2018). The decision making used in this study is based on probability (in this case sig F), namely:

a. If the probability (significance) < 0.05 (α) or Fcalculate ≥ Ftable and the p-value of F-statistically ≤ 0.05 means that the F test is significant so that the regression model is feasible to use, then Ho is rejected and Ha is accepted when done simultaneously.
b. Conversely, if the probability (significance) > 0.05 (α) or Fcalculate ≤ Ftable and the p-value of F-statistics ≥ 0.05 means that the F test is not significant so that the regression model is not feasible to use, then Ho accepted Ha rejected when done simultaneously.

The following is the Ftable Percentage point table

Table 8. Ftabel Percentage Point

80	3,960	3,111	2,719	2,486	2,329	2,214	2,126	2,056
81	3,959	3,109	2,717	2,484	2,327	2,213	2,125	2,055
82	3,957	3,108	2,716	2,483	2,326	2,211	2,123	2,053
83	3,956	3,107	2,715	2,482	2,324	2,210	2,122	2,052
84	3,955	3,105	2,713	2,480	2,323	2,209	2,121	2,051
85	3,953	3,104	2,712	2,479	2,322	2,207	2,119	2,049

Source: K.N. Khotimah, 2023

In this F test to calculate Ftable can be formulated by:

df = n-(k-1)

Information:

k = number of independent variables (free)
n = number of research samples

Thus k = 3 (X1 Application of Public Sector Accounting, X2 Accountability and X3 Performance Transparency) and n = 83. Then this value is entered into the formula, resulting in the number 83-(3-1) = 81, then the F table obtained 2,717

Table 9. F Test Result (Model Feasibility Test)

Model		Df	Mean Square	F	Sig.
1	Regression	3	147,984	17,088	0,000[b]

Residual	79	8,660
Total	82	

Source : SPSS processed data, 2023

Based on table 8 above, the calculated F value of 17,088 is greater than the F table, which is 2.717. The significance level of 0,000 is less than 0,05. So it can be concluded that there is a simultaneous influence between Application of Public Sector Accounting, Accountability, and Performance Transparency on Quality of Financial Statements in Colomadu District.

c. T Test (Partial)

a. This t test is used to determine the significance of the influence of each independent or independent variable Application of Public Sector Accounting, Accountability, and Performance Transparency on the dependent or dependent variable of Financial Report Quality partially. The formulation of the proposed hypothesis is:
   1. If the value of tcount <ttable then the decision to accept the null hypothesis acceptance area (Ho) means that the independent variable has no effect on the dependent variable.
   2. If tcount > ttable, the decision to reject the null hypothesis (Ho) means that the independent variable affects the dependent variable.

b. Based on a comparison of the calculated t value with the t table value and the test was carried out with a significance of α = 5%, namely:
   1. If the probability (significance) < 0.05 (α) or tcalculate > ttable or -tcalculate > -ttable and p-value < 0.05 then Ha is accepted and Ho is rejected which means that the application of public sector accounting, accountability, and transparency of performance has a significant effect on the quality of financial statements.
   2. Conversely, if the probability (significance) > 0.05 (α) or tcalculate < ttable or -tcalculate > -ttable and p-value > 0.05 then Ho is accepted and Ha is rejected which means that the application of public sector accounting, accountability, and transparency of performance does not significantly affect the quality of financial statements.

Table 10. Ttabel Percentage

75	1,665	1,992
76	1,665	1,992
77	1,665	1,991
78	1,665	1,991
79	1,664	1,990
80	1,664	1,990

Source : K.N. Khotimah, 2018

In this t-test, it is carried out on the degrees of freedom (Df = nk), where n is the number of respondents and k is the number of variables (free and dependent). The feasibility level used is α=5% or a significance value of 0.05. For degrees of freedom (df) = 83–5 = 80. Where 80 is the number of samples and 3 is the number of variables (free and dependent), then the ttable obtained is 1,990. The following are the results of the t test in this study:

Table 11. Test Result t

Model		Unstrandardized Coefficents B	Std. Error	Standardized Coefficents Beta	t	Sig.
1	(Constant)	10,525	2,540		4,143	0,000
	PASP	0,786	0,135	0,523	5,828	0,000
	AKB	0,450	0,123	0,351	3,672	0,000
	TKR	-0,179	0,134	-0,130	-1,336	0,185

Source : SPSS processed data, 2018

From the results of table 10 above, it can be seen if the results of the t test on Application of Public Sector Accounting, Accountability, and Performance Transparency are as follows:

Based on these results it can be concluded:

1. The Effect of the Application of Public Sector Accounting on the Quality of Financial Statements (Hypothesis 1)
   Based on the partial statistical test in table 4.10, a calculated t value of 5.828 with a positive direction and table t of 1.990 so that the calculated t is greater than the table t (5.828 > 1.990) with a significant value of 0.000. Such a significant value smaller than 0.05 (0.000 < 0.05) indicates that H1 is accepted, meaning that the application of public sector accounting has a positive and significant effect on the quality of financial statements.
2. The Effect of Accountability on the Quality of Financial Statements (Hypothesis 2)
   Based on the partial statistical test in table 4.10, a calculated t value of 3.672 with a positive direction and a table t of 1.990 so that the calculated t is greater than the table t (3.672 > 1.990) with a significant value of 0.000. Such a significant value of less than 0.05 (0.000 < 0.05) indicates that H2 is accepted, meaning that accountability has a positive and significant effect on the quality of financial statements.
3. The Effect of Performance Transparency on the Quality of Financial Statements (Hypothesis 3)
   Based on the partial statistical test in table 4.10, a calculated t value of -1.336 with a negative direction and table t of -1.990 is obtained so that the calculated t is greater than the table t (-1.336 > -1.990) with a significant value of 0.185. Such a significant value greater than 0.05 (0.185 > 0.05) indicates that H3 is rejected, meaning that performance transparency has a negative and insignificant effect on the quality of financial statements.

d. Determination Test Results (R^2)

Table 12. Determination Test Result (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,627	0,394	0,371	2,94280

Source : SPSS processed data, 2023

Based on the table 11 above, it shows that the R Square value is 0.371 or 37.1%. While the remaining 62.9% (100% - 37.1%) was influenced by other variables that were not included in this study. a lower *Adjusted R Square* value indicates that there may be other variables not included in the model and can provide additional explanations for variations

in the dependent variable. *The Standard Error of the Estimate* provides an estimate of the error in predicting the value of the dependent variable by the model.

3.2. Discussion

Based on a partial statistical test in table 11, a calculated t value of 5.828 with a positive direction and table t of 1.990 so that the calculated t is greater than the table t (5.828 > 1.990) with a significant value of 0.000. Such a significant value smaller than 0.05 (0.000 < 0.05) indicates that H1 is accepted, meaning that the application of public sector accounting has a positive and significant effect on the quality of financial statements. This means that if the application of public sector accounting is higher, it will improve the quality of village office financial statements.

Based on the partial statistical test in table 11, a calculated t value of 3.672 with a positive direction and table t of 1.990 so that the calculated t is greater than the table t (3.672 > 1.990) with a significant value of 0.000. Such a significant value smaller than 0.05 (0.000 < 0.05) indicates that H2 is accepted, meaning that accountability has a positive and significant effect on the quality of financial statements. This means that if accountability is higher, it will improve the quality of village office financial statements.

Based on the partial statistical test in table 11, a calculated t value of -1.336 with a negative direction and table t of -1.990 is obtained so that the calculated t is greater than the table t (-1.336 > -1.990) with a significant value of 0.185. Such a significant value greater than 0.05 (0.185 > 0.05) indicates that H3 is rejected, meaning that performance transparency has a negative and insignificant effect on the quality of financial statements. This means that if performance transparency is getting higher, it will improve the quality of financial statements even though it does not significantly affect the quality of financial statements.

4. Conclusion

Based on the analysis that has been done, the following conclusions are drawn:

1. The application of public sector accounting has a positive and significant effect on the quality of financial statements at village offices in Colomadu District. The application of higher public sector accounting will improve the quality of financial statements, this is because if public sector accounting is implemented properly it will be able to improve the quality of village financial statements.
2. Accountability has a positive and significant effect on the quality of financial statements at the village office in Colomadu District. This is because to make quality financial statements, there must be accountability for these financial statements so that the financial statements will be comparable and can improve the quality of financial statements.
3. Performance transparency has a negative and insignificant effect on the quality of financial statements at the village office in Colomadu District. Higher performance transparency will improve the quality of financial statements although not significantly, this is because there is still a lack of local governments in making it easier for the public to find financial statement information both directly and web-based which causes the quality of financial statements to decrease.

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