

## The Influence Of Expenditure Treasurer Role On The Quality Of Financial Statements Of Local Government In Bandung Regency

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**Abstract:** The research aims to know the influence of the Role of The Expenditure Treasurer on the Quality of Financial Statements in Agencies The Government of Bandung Regency. The population in this was the Treasurer of The Expenditure of Regional Device Task Force (SKPD) in Bandung Regency consisting of 31 SKPD in Bandung Regency, with 31 respondents. This research is motivated by the still occurrence of mistakes made by the Treasurer of Expenditure that can affect the quality of financial statements. The sampling technique used in this study was non probability sampling. The sample withdrawal method in this study is saturated sample. The analysis method used in this research is explanatory research method with hypothesis test using simple linear regression analysis. The program used in analyzing the data uses Software Statistical Package for Special Sciences (SPSS) Version 26.0. Based on the hypothetical test results showing that the Role of The Treasurer of Expenditure affects the Quality of Regional Government Financial Statements in Bandung Regency, this indicates that the Role of The Treasurer of Expenditure affects the Role of the Treasurer of Expenditure has a significant influence on the Quality of Financial Statements of the Bandung Regency Government. The role of the treasurer of the expenditure of the Regional Device Task Force (SKPD) of Bandung Regency can improve the quality of local government financial statements in Bandung Regency

**Keywords:** Expenditure Treasurer, Quality, Financial Report, Local Government

### 1. Introduction

One of the main objectives of the local government is to improve the welfare of the community through improving services to the community and increasing regional competitiveness. In this regard, through the fiscal decentralization policy, the government strives to achieve fiscal balance by maintaining regional financial capacity to meet the desires of the community. The regional government strives to achieve a balance between regional rights in the form of obtaining regional income with regional obligations in carrying out government affairs to meet community needs. In this context, local governments need local financial information obtained from Regional Government Financial Reports (LKPD). In accordance with Law 23/2014 on Regional Government, Regional Government as a public sector organization aims to improve the welfare of the community through improving services to the community and increasing regional competitiveness. In carrying out these governmental duties, both mandatory and optional affairs, the government is given the authority in the form of a fiscal decentralization policy to manage all regional financial resources for achieving its objectives effectively, efficiently and economically, and not violating the provisions of the prevailing laws and regulations. Regional work units (SKPD) are part of local governments that carry out government functions and public services, either directly or indirectly. Steven Cohen, et al (2011: 196) identified the types of information needs for public managers, including: (a). Data problems, (b). environmental data, (c). solution options, (d). the projected impact of the solution, (e) internal action, (f). expenditure of resources, (g). the resulting output, and (h). the impact of the actual solution. One of the local government financial information needs to be provided is the Regional Government Financial Report in the form of a Budget Realization Report, Balance Sheet, Cash Flow Report and Notes on Financial Statements. This financial information will then be used by the Regional Head as the basis for the management of regional government management, namely to formulate planning (budget), implementation of government programs, and output in the form of the position of regional wealth that is used in an effort to improve community welfare.

As the Regional Financial Management Power Holder (PKPKD), the regional head (governor, regent, mayor) who delegates part of his authority to the head of the SKPD, will eventually ask the head of the SKPD to make him accountable for the authority he exercises. The form of accountability is in the form of financial reports. Accountability for cash in the SKPD is carried out by the expenditure treasurer as a functional official (article 14 Permendagri 13/2006). Selection of Regional Work Units (SKPD) in Bandung Regency as the object of research because SKPD is part of the local government that carries out functions and is responsible for governance and public services, either directly or indirectly. SKPD Bandung Regency has a role and responsibility in the field of financial management because SKPD is given an allocation of funds (budget) and the goods/assets needed. Therefore, the head of SKPD is also called Budget User (PA) and Goods User (PB), as well as in order to find out how the

accounting system process is in the SKPD Kab. Bandung which will affect the quality of financial reports. Bandung Regency has 33 SKPDs consisting of the Inspectorate, Secretariat, Service, Agency, and Hospital (bandungkab.go.id). Regional governments need financial information presented in the LKPD for the purposes of planning, controlling, and making fiscal decentralization policies as outlined in the Regional Regulations (Perda) concerning the Regional Revenue and Expenditure Budget (APBD) each year. Thus, LKPD is expected to be able to play an important role in supporting regional government financial management activities, as stated in the Government Accounting Standards Conceptual Framework (SAP).

## 2. Theoretical Framework

Bandung Regent Regulation Number 22 of 2018, the Expenditure Treasurer is an official who is appointed to receive, save, pay, administer and account for money for Regional Expenditure needs in the context of implementing the APBD in Regional Work Units (SKPD). Based on Government Regulation number 55 of 2008, the SKPD spending treasurer is tasked with receiving, storing, paying, administering, and being accountable for spending money in the context of implementing APBD in SKPD. The expenditure treasurer keeps books of all the money that he administers with an accountability report made by the expenditure treasurer consisting of a General Cash Book, Auxiliary Book, and a Budget Supervision Book. Heri Susilawati (2016; Mokoena, 2019) the expenditure administration process that is carried out properly and maximally by the expenditure treasurer will produce quality accountability reports. If the expenditure treasurer does not carry out his main duties and functions properly, it can affect the quality of the financial reports accordingly.

Errors that can still occur are made by the Expenditure Treasurer, namely in inputting numbers or errors when recording the value of expenditures into inappropriate accounts / posts, errors in tax calculations and delays in submitting the Accountability Report, these can affect the quality of financial reports. resulting from. Based on the description above, the authors designed a theoretical framework as below:

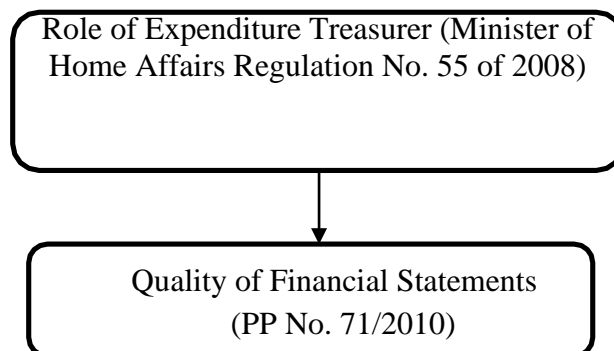


Figure 1 : Theoretical Framework

Sekaran and Bougie (2017: 94), a hypothesis can be defined as a provisional, but testable, statement that predicts what you want to find in empirical data. A hypothesis can be defined as a logically estimated relationship between two or more variables represented in the form of a testable statement. By testing the hypothesis and confirming the expected relationship it is expected that a solution can be found to overcome the problem at hand.

Based on this understanding, the hypothesis that is formed is as follows:

Ho: The role of treasurer expenditure does not have a significant effect on the quality of financial reports.

Ha: The role of treasurer of expenditure has a significant effect on the quality of financial reports.

## 3. Research Methodology

This research was carried out at the Regional Work Unit (SKPD) of the Bandung Regency Government and the time of the research was carried out from December 2020 to completion. The data source in this research is primary data. The data collection procedure was carried out by sending the questionnaire directly to the respondent's source, namely the Expenditure Treasurer at the SKPD of Bandung Regency. The sampling method in this study using saturated sampling technique. Respondents in this study were a treasurer of the Regional Work Unit (SKPD) of Bandung Regency. The number of respondents to be sampled in this study was 31 people. The technique of collecting data and information by the author is field research (Field Research). This field research was conducted to obtain primary data. This study is to see how the role of the spending treasurer affects the quality of local government financial reports in Bandung Regency. To answer the research problem, the writer used data

from 31 respondents' responses to the questionnaire as a research instrument.

Respondents of the study were the treasurer of the Regional Work Unit (SKPD) of Bandung Regency on 31 Regional Work Units. The results of the study will describe the general description of the respondents, the results of the instrument test, the descriptive analysis of the research variables, namely the role of the treasurer of expenditure and the quality of local government financial reports in Bandung Regency, as well as the results of hypothesis testing using the t test based on simple linear regression analysis and correlation analysis. The author collects all the answers that have been received (in the form of a questionnaire) into numerical form using a Likert scale in determining the length and shortness of an interval that is used as a benchmark. For data processing, statistical tools are used, where this tool can facilitate interpretation to analyze whether there is a relationship between variable X and variable Y and how much influence it has, which in the end will be obtained a guideline to draw conclusions. In order to make it easier to interpret the variables studied, categorization was carried out on the responses of the respondents. Regarding the score interpretation criteria based on the respondent's answer, it can be determined as follows: the maximum score for each questionnaire is 5 and the minimum score is 1, or ranges from 20% - 100%, then the distance between the adjacent scores is 16%.

#### 4. Result and Discussion

Data on the characteristics of research respondents, namely the Treasurer of the Regional Work Unit (SKPD) of Bandung Regency on 31 Regional Work Units are described as follows.

Table 1  
Characteristics of Respondents Based on Gender

Gender	Frequency	Percentage
Male	14	45.2%
Female	17	54.8%
Total	31	100.0%

Source: research data (processed)

The results of the research data obtained showed that from 31 treasurers of Bandung Regency Regional Work Units (SKPD) who were respondents, it was seen that there were 54.8% women while the male respondents were 45.2%.

Table 2  
Respondent Groups Based on Age

Age	Frequency	Percentage
21-30 Tahun	6	19,4%
31-40 Tahun	12	38,8%
41-50 Tahun	7	22,6%
>50 Tahun	6	19,4%
Total	31	100%

Source: research data (processed)

Based on table 5.2 of the 31 people who became respondents in this study, it can be seen that the most respondents were between 41-50 years old at 38.8%.

Table 3  
Respondent Group Based on Education Level

Educational stage	Frequency	Percentage
Diploma	3	9,7%
Bachelor degree	22	71%
Strata 2	6	19,4%
Total	31	100%

Source: research data (processed)

Based on table 5.3 of 31 people who became respondents in this study, it can be seen that the respondents who have the most education level are Strata 1 at 71%, while respondents who have the least education level are Diploma by 9.7%. The data used in this research is questionnaire data, so before analyzing the research instrument to be used, it is necessary to test the validity and reliability so that the results obtained can be tested and reliable and avoid things that can doubt the validity of the research results. In testing the validity and reliability, the authors used the IBM SPSS v26 software aids.

Instrument Validity Test

The validity test is used to assess the accuracy of each item in the questionnaire statement in measuring the variables used. Assessment of the validity of each item of the questionnaire statement uses the correlation value of the item score with the total variable score. The validity index is calculated using the product moment correlation. Statement items are declared valid if the correlation coefficient is 0.30. The results of the questionnaire validity test for each of the variables studied are presented as follows. The following describes the results of the validity of the measuring instruments for the two research variables used. The results of the validity test for the Expenditure Treasurer Role Variable as measured by 10 statement items are valid. The results of the validity test show that all items of the Variable role of the Expenditure Treasurer (X) have a value of  $r_{count} > 0.3$  so that it can be concluded that 10 item variable. Role of Expenditure Treasurer (X) is valid. This means that the measuring instrument in the form of a questionnaire statement has a good level of validity which means that it can measure the variable the role of the Expenditure Treasurer under study. The results of the validity test for the Variable Quality of Financial Statements as measured by 10 statement items are valid. The results of the validity test show that all items of the Financial Report Quality Variable (Y) have a value of  $r_{count} > 0.3$  so it can be concluded that 10 items of the Financial Report Quality variable (Y) are valid. This means that the measuring instrument in the form of a questionnaire statement has a good level of validity which means that it can measure the variable of the Quality of the Financial Statements under study.

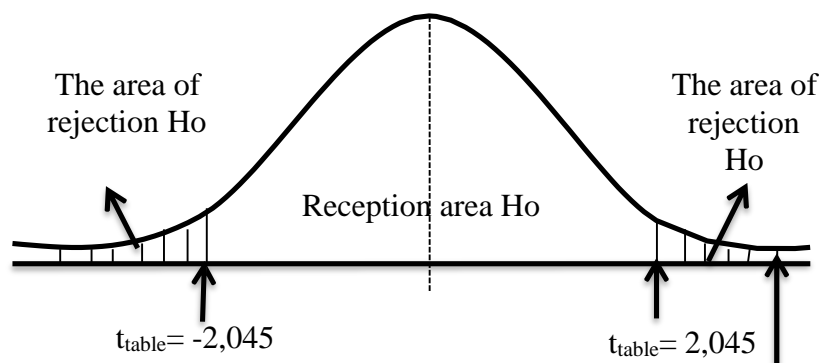
Based on research result can be seen that the questionnaire reliability value for the Expenditure Treasurer Role variable (X) is obtained at 0.908. The reliability value is greater than the critical value of 0.7. The results of this test indicate the measuring instrument used to measure variable X (Role of Expenditure Treasurer) has provided consistent results (Reliable).

The results of t-test statistical calculations on hypothesis testing are presented in the table 8 below :

Table 8  
Partial Test Result (t test)

Model	B	Std. Error	t	Sig.
1 (Constant)	13.137	3.893	3.375	.002
X ( Quality of Financial Statements)	.697	.091	7.676	.000

The t test statistical calculation results obtained from the regression coefficient table of 7,676 with a significance value of 0.000. The result of the calculation of the test value (tcount) is greater than the ttable value ( $7,676 > 2,045$ ), so the results of the Ho test are rejected. The significance value of the test 0.000 is smaller than 0.05, so the test is significant. So it can be concluded that the role of the spending treasurer affects the quality of financial reports in a positive direction.



tcount = 7,676

Figure 2  
Results of Acceptance and Rejection H0 (t test)

Correlation

Correlation analysis is used to determine the degree or relationship between the role of the Spending Treasurer (X) and the Quality of Financial Statements (Y). The results of the calculation of the Pearson correlation/Product moment calculated using SPSS 26 can be seen in the following table :

Table 9  
Correlation Coefficient X with Y

Correlations		X (Kualitas Laporan Keuangan)		Y (Peran Bendahara Pengeluaran)	
X (Kualitas Laporan Keuangan)	Pearson Correlation	1			.819**
	Sig. (2-tailed)				.000
	N	31			31
Y (Peran Bendahara Pengeluaran)	Pearson Correlation	.819**			1
	Sig. (2-tailed)	.000			
	N	31			31
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Results of SPSS Processing 26

From the calculation results, the correlation value (R) between the role of the spending treasurer and the quality of financial statements is 0.819. The correlation between the role of the Spending Treasurer and the Quality of Financial Statements is in the very strong category. So it can be said that there is a close relationship between the role of the spending treasurer and the quality of financial reports.

#### Coefficient of Determination

The determinant coefficient shows the measure of how far the model is able to explain the variation in the independent variable. Based on the calculation of simple linear regression analysis with the help of SPSS 26, the results of the coefficient of determination for the influence of the role of the spending treasurer on the quality of financial statements are shown in the following table:

Table 10  
The Coefficient of Determination X against Y

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.819 <sup>a</sup>	.670	.659	3.09534
a. Predictors: (Constant), X (Kualitas Laporan Keuangan)				
b. Dependent Variable: Y (Peran Bendahara Pengeluaran)				

Source: Results of SPSS Processing 26

Obtained R square value from the SPSS calculation in Table 5.23 above is 0.670. So the amount of influence of the Spending Treasurer Role on the Quality of Financial Statements is 67,% and the rest is 100% - 67,% = 33.3% influenced by other factors not observed in this study.

## 5. Discussion

The more understanding of his role in financial administration, the more it will have an impact on the performance of the spending treasurer. In other words, the better the role of the spending treasurer, the better the quality of financial reports. Based on the results of the analysis of the responses of the respondents who acted as expenditure treasurers on the expenditure treasurer role variable which consists of 4 dimensions, namely receiving money, saving money, paying, administering and being accountable shows a good assessment. The role of the Spending Treasurer has a significant effect on the quality of the financial statements of the Bandung Regency Regional Government. One of the roles of LKPD is a managerial role that provides financial information for management to evaluate the implementation and facilitate the planning, management and control functions of all assets, liabilities and equity funds as well as government decision making. To meet the financial information needs of management, LKPD is prepared in a form and format that makes it easy to provide an overview of the financial position, liabilities and equity of the local government. The LKPD components include the Budget Realization Report (LRA), Balance Sheet, Cash Flow Statement (LAK), and Notes to Financial Statements (CaLK).

So that it can be proven that the administration of expenditures carried out by the Expenditure Treasurer has been carried out in accordance with its duties and functions based on the applicable regulations. So that it can

affect the quality of financial reports. This is in line with research results from Erna Sari (2013) and Ovita Charolina (2013) which state that regional financial administration affects the performance of financial managers and the implementation of financial management affects the quality of financial reports. This means that the administration of expenditures carried out by the expenditure treasurer is good and maximally will produce a treasurer LPJ which is part of the financial report as a form of accountability. The existence of a good administrative process and the submission of financial reports on time will greatly support the creation of quality financial reports. And in line with the research that has been conducted by several researchers including: Niko Freisya (2018) and Heri Susilawati (201) regarding the influence of the role of the Spending Treasurer on the Quality of Financial Statements, where the results show that the Expenditure Treasurer has a significant effect on the Quality of Regional Financial Reports.

## 6. Conclusion and Suggestion

### Conclusion

Based on phenomena, problem formulation, thought framework, hypothesis development, results and discussion, the following conclusions as follow :

1) One of the roles and objectives of the Regional Government Financial Report (LKPD) is to present regional financial information that is useful for regional public managers (Regional Heads and DPRD) in making regional government fiscal policies. The effectiveness of LKPD in supporting managerial decision-making for local public officials (Regional Heads and DPRD) is highly dependent on the quality of information (qualitative characteristics) it presents. The qualitative characteristics of the information include relevant, reliable, comparable and understandable characteristics. Relevant characteristics are met when information can influence user decision making; The characteristics of the reliability of information if the financial information is free from misleading understanding and material errors, presents every fact honestly, and can be verified; Information will be more useful if it can be compared with period financial reports, both internally and externally.

2) Information will be useful if it can be understood by users. For this reason, financial information must be expressed in terms and forms adapted to the limits of understanding of the users and on the other hand, users are assumed to have sufficient knowledge to understand the financial information presented.

### Suggestion

The results of the research on the influence of the role of the spending treasurer on the quality of financial reports of Bandung Regency Regional Work Units (SKPD), the authors provide the following suggestions:

1) For the Government. Suggestions based on the results of interviews, the government should provide training and technical guidance on taxation for expenditure treasurers so that they can increase their role and can also help improve the quality of financial reports. Suggestions based on the results of the questionnaire regarding the receipt and storage of supply money, it is preferable that at the time of receipt of the money supply, it is entered into a special account of the Expenditure Treasurer. If other than that, the funds cannot be disbursed.

2) For Further Researchers. For future researchers, if interested in researching this topic, it is advisable to increase the number of independent variables. Because, there are many other variables that can improve the performance of government agencies. As for other factors that can affect the quality of local government financial reports.

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