Regional Financial Reports Quality: Organizational Commitment as Moderating Variable

Samalua Waoma; Nagian Toni; Enda Noviyanti Simorangkir

Universitas Prima Indonesia, Medan, Indonesia

E-mail: samaluawaoma@gmail.com

Abstract

The purpose of this study was to determine the effect of human resource capacity, utilization of information technology and internal control systems on the quality of regional financial reports with organizational commitment as a moderating variable. The data analysis method uses Structural Equation Modeling (SEM) with the Partial Least Square (PLS) approach. The results showed that partially the capacity of human resources, utilization of information technology and internal control systems had no effect on the quality of local government financial reports. Organizational commitment is able to moderate the influence of human resource capacity and the use of information technology on the quality of local government financial reports. The internal control system is unable to be moderated by organizational commitment to the quality of local government financial reports.

Keywords: *Human Resources; Information Technologi; Internal Control; Organizational Commitment; Regional Financial Reports*

Introduction

At the conclusion of each fiscal year, financial reports are mandated to maintain accountability for government administration. (Atika et al., 2019) This crucial measure allows for tracking and evaluation of the government's activities and expenditures. (Kesowo, 2003) concerning State finances which have been amended by (Laoly, 2020) When dealing with the challenges posed by the Covid-19 pandemic and other threats to our national economy and financial system, it is crucial to carefully examine the current state of financial policy and develop effective strategies for maintaining a stable financial system. (Kesowo, 2004) regarding Regional Government which has been amended with (Syamsudin, 2014) Regarding Regional Government. In (Wahid, 2006), regarding financial reporting and performance of government agencies, states that financial reports are a form of accountability for state and regional financial management for one period. The main purpose of submitting financial reports

in local government is to provide useful information for providers of funds and other users, to make rational decisions about the sources and allocation of funds to the organization.

The quality of financial reports is crucial for BPK to provide an opinion on LKPD each fiscal year. This quality is determined by four characteristics: understandability, comparability, relevance, and reliability. According to (Bastian, 2006), an annual report of high quality is necessary to make decisions by various parties. (Nugroho, 2010) also emphasizes the importance of these characteristics in financial reporting. According to (Pravasanti & Ningsih, 2019), the quality of local government financial reports is determined by their ability to provide understandable information, meet user needs for decision-making, and avoid misleading information. The understanding of government accounting standards (SAP) is crucial for preparing and presenting government financial reports in Indonesia, as it is a legal requirement aimed at improving their quality (D. K. Wardani et al., 2018). (Qomah & Ismunawan, 2021) the application of SAP has a significant influence on the quality of local government financial reports. The application of SAP has a significant and strong effect on the quality of financial reports for local governments, because the better understanding of SAP, the better the quality of local government financial reports (Firdaus et al., 2020). The same thing was also expressed by (Wulandari, 2018)The application of government accounting standards has a positive effect on the quality of local government financial reports.

Over the past decade, the South Nias Regency Regional Government has consistently received audit opinions from the Supreme Audit Agency (BPK) specifically categorized as 'Disclaimer' (TMP) and 'With Disclaimer of Opinion' (WDP) in relation to the Local Government Financial Statement (LKPD) evaluations. Notably, the highest 'Unqualified Opinion' (WTP) rating has never been granted to the South Nias district by the BPK during this period. The rationale behind the BPK's issuance of WTP and WDP opinions lies in their inability to secure adequate and relevant audit evidence for certain values, due to the unavailability of necessary data and information within the respective departments. Consequently, the BPK faced challenges in determining whether adjustments were required for some of these reported figures.

The study's findings indicate that human resource capacity has an impact on the quality of financial reports, as demonstrated by studies conducted by (Anggita Fitriana et al., 2020), (Nurmalia et al., 2021)1), (Kaok, 2021), and (Sambuaga et al., 2020). However, these outcomes stand in contrast to the research results presented by (D. K. Wardani et al., 2018), (Manimpurung et al., 2018), and (Qomah & Ismunawan, 2021), which suggest that human resource capacity or competence does not significantly influence the quality of financial reports.

Furthermore, the utilization of information technology has been found to positively and significantly impact the quality of financial reports, as supported by studies conducted by (Bano et al., 2022), (Anggita Fitriana et al., 2020), and (Chodijah & Hidayah, 2018). Conversely, other research results by (Safiri & Zulkarnain, 2021) and (Pravasanti & Ningsih, 2019) also assert a significant positive relationship between technology utilization and financial report quality. However, these findings are contradicted by research conducted by (Qomah & Ismunawan, 2021), (Muhlihah, 2021), (D. kusuma Wardani & Nurhayati, 2020), and (D. K. Wardani et al., 2018), which indicate that the use of information technology does not significantly affect the quality of local government financial reports".

The incorporation of internal control mechanisms serves as a pivotal yardstick in appraising the regional government's financial reports, which are submitted for scrutiny by the Financial Supervisory Agency (BPK). Findings from the studies conducted by (Bano et al., 2022) and (Nurmalia et al., 2021) affirm that the implementation of an internal control system positively and considerably impacts the quality of financial reports from local governments. Similarly, other investigations concur that the

application of internal control systems significantly influences the quality of financial reports in local government contexts, as evidenced by (Darwin, 2021), (Qomah & Ismunawan, 2021), and (Satriawan & Dewi, 2020)). Nevertheless, contrasting viewpoints emerge from the research conducted by (Safiri & Zulkarnain, 2021), (Muhlihah, 2021), (Anggita Fitriana et al., 2020), and (D. K. Wardani et al., 2018). These studies contend that the utilization of information technology does not yield a substantial impact on the quality of financial reports within the realm of local government.

Other research studies emphasize that organizational commitment significantly influences the quality of local government financial reports, as evidenced by (Ilmiddaviq, 2022), (Darwin, 2021), (Kaok, 2021), and (Manimpurung et al., 2018). Moreover, another study suggests that the level of organizational commitment's implementation directly correlates with the enhancement of financial report quality, an assertion supported by (Murapi, 2020).

However, these findings contrast with the research conducted by (Hernanda & Setiyawati, 2020), which suggests that organizational commitment does not significantly impact the quality of local government financial reports. Additionally, (Oktavia & Rahayu, 2019) propose an opposing viewpoint, contending that organizational commitment exerts a negative influence on the quality of regional financial reports.

The primary objective of this study was to examine the potential impact of human resource capacity, information technology utilization, and internal control systems on the quality of regional financial reports. Additionally, the study aimed to investigate whether organizational commitment could moderate the influence of human resource capacity, information technology utilization, and internal control systems on the quality of regional financial reports.

This research holds significant value as it contributes to the expansion of knowledge within the realm of regional financial accounting, specifically concerning human resource capacity, the use of information technology, internal control systems, and the overall quality of local government financial reports. The findings of this study offer valuable insights that can be used as input and guidance to enhance the quality of financial reports. Ultimately, the aim is to attain an unqualified opinion (WTP) from the Financial Supervisory Agency (BPK). Furthermore, the research outcomes provide additional information and serve as references in the field of financial accounting, thereby supporting further investigations into the intricacies of regional government financial report quality.

Method

The study was conducted in South Nias Regency, North Sumatra province, with a population of 63 SKPD. A sample of 38 SKPD was selected using cluster sampling. The research design involved collecting data from the target population that met the research criteria, followed by measurements using valid and reliable instruments, and analysis using specific software to obtain empirical results. Primary data was collected from respondents using a questionnaire, which was filled out based on each respondent's perception of their respective SKPD and returned on a pre-agreed date. The data analysis method used was the Structural Equation Modeling (SEM) statistical test with the Partial Least Square (PLS) approach.

The feasibility test for the model involves two parts: the outer model test and the inner model test. The outer model test includes a convergent validity test, where the factor loading value on latent variables with expected indicators should be greater than 0.70. Discriminant validity is determined by measuring the cross-loading factor, which compares the loading value in the intended construct to the

loading value with other constructs. A construct is considered reliable if its composite reliability is greater than 0.70, as indicated by the latent coefficients view. The Average Variance Extracted (AVE) is expected to be greater than 0.50. Cronbach's alpha is used to support the results of composite reliability, and a variable is deemed reliable if it has a Cronbach's alpha value greater than 0.70.

The Structural Model Test (*Inner Model*) consists of the coefficient of determination (R^2) is the coefficient of determination in the endogenous construct "the criterion for this *R square* value is in three classifications, namely 0.67 as substantial; 0.33 as moderate and 0.19 as weak"; *Predictive Relevance* (Q^2 or known as *Stone-Geisser's* is a test to find out the predictive capability of how good the resulting value is. If the value obtained is 0.02 (small); 0.15 (medium) and 0.35 (large); and *Goodness of Fit Index (GoF)* is used to determine the goodness of the model. interpretation of the *f square* value of 0.02 has a small effect; 0.15 has a moderate effect and 0.35 has a large influence on the structural level.

Hypothesis testing uses statistics, for alpha 5% the value of the t-statistic used is 1 .96. So that the criteria for accepting/rejecting the hypothesis are that Ha is accepted and Ho is rejected when the t-statistic is > 1.96. To reject/accept the hypothesis using probability, Ha is accepted if the p value < 1.05.

Results and Discussion

1. Feasibility Test Measurement Model (*Outer Model*)

The measurement model test is an assessment of the relationship between the construct and its indicators. This evaluation goes through two stages, namely *convergent validity* (viewed based on the loading factor for each construct), *discriminant validity* (see *the output of composite reliability* or *cronbach's alpha*), and *Average Variance Extracted* (AVE).

a. *Convergent validity*

Table 1 *Outer Loading*

Keterangan	Outer Loadings	Keterangan	Outer Loading	Keterangan	Outer Loading	Keterangan	Outer Loading
KLK1 <- KLK	0.747	KO1 <- KO	0.738	KSM3 <- KSM	0.772	PTI6 <- PTI	0.791
KLK10 <- KLK	0.849	KO2 <- KO	0.785	KSM4 <- KSM	0.737	PTI7 <- PTI	0.801
KLK11 <- KLK	0.853	KO3 <- KO	0.867	KSM5 <- KSM	0.785	PTI8 <- PTI	0.763
KLK12 <- KLK	0.822	KO4 <- KO	0.889	KSM6 <- KSM	0.818	PTI9 <- PTI	0.714
KLK13 <- KLK	0.851	KO5 <- KO	0.900	KSM7 <- KSM	0.838	SPI1 <- SPI	0.835
KLK3 <- KLK	0.831	KO6 <- KO	0.875	KSM9 <- KSM	0.836	SPI2 <- SPI	0.858
KLK4 <- KLK	0.794	KSM1 <- KSM	0.732	PTI1 <- PTI	0.798	SPI3 <- SPI	0.848
KLK5 <- KLK	0.855	KSM10 <- KSM	0.824	PTI10 <- PTI	0.854	SPI5 <- SPI	0.803
KLK6 <- KLK	0.871	KSM11 <- KSM	0.843	PTI2 <- PTI	0.752	SPI6 <- SPI	0.805
KLK7 <- KLK	0.785	KSM12 <- KSM	0.826	PTI3 <- PTI	0.761	SPI7 <- SPI	0.819
KLK8 <- KLK	0.826	KSM13 <- KSM	0.849	PTI4 <- PTI	0.826		
KLK9 <- KLK	0.851	KSM2 <- KSM	0.764	PTI5 <- PTI	0.780		

Source: SmartPLS results (2023)

To test *the convergent validity, the outer loading* value or *loading factor is used*. An indicator is declared to meet *convergent validity* in the good category if the *outer loading value* is > 0.70 . Based on the results of data processing can be known that the outer *loading factor value on latent variables with* research variable indicators > 0.70. By Therefore, all indicators are declared feasible or valid for use in research and can be carried out for further analysis.

b. Discriminant Validity

Table 2. *Discriminant validity*

	KLK	KO	KSM	PTI	SPI
KLK	0.829				
KO	0.649	0.845			
KSM	0.663	0.842	0.858		
PTI	0.648	0.790	0.856	0.867	
SPI	0.647	0.804	0.803	0.785	0.828

Source: SmartPLS results (2023)

Discriminant validity test is used to determine whether the construct has adequate discriminant, namely by comparing the *loading value* in the intended construct must be greater than the *loading value* with other constructs. Based on the results of data processing it is known that each indicator on the research variable has the largest *cross loading value* on the variable it forms compared to the *cross loading value* on other variables, namely: 0.829 for KLK, 0.845 for KO, 0.858 for KSM, 0.867 for PTI and 0.828 for SPI. Based on the results obtained, it is concluded that the indicators used in this research have good *discriminant validity in compiling their respective variables.*

c. Average Variance Extracted (AVE)

In addition to *cross loading, discriminant validity* can also be known through the *Average Variance Extracted* (AVE) value, which is the average variant whose value is expected to be > 0.50 for a good model. The following is the *Construct Reliability and Validity table*: Based on data processing it can be seen that the *Average Variance Extracted (AVE)* value of the variables Quality of Financial Statements (KLK), Organizational Commitment (KO), Quality of Human Resources (KSM), Use of Information Technology (PTI) and Internal Control System (SPI) >0.5. So it can be concluded that each variable has good *discriminant validity.*

d. Composite Reliability

Table 3. *Construct Reliability and Validity*

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
KLK	0.958	0.961	0.963	0.687
KO	0.918	0.921	0.937	0.713
KSM	0.950	0.952	0.956	0.645
PTI	0.931	0.935	0.941	0.616
SPI	0.909	0.912	0.929	0.686

Source: SmartPLS results (2023)

Composite Reliability aims to perform value testing the reliability of indicators on a variable. If the *Composite value Reliability* > 0.70 then the variable is said to have high reliability (Ghozali, 2014).

Based on data processing, it can be seen that the *composite reliability values* (rho_a and rho_b) are > 0.70 so it can be concluded that the results of this study indicate that each variable has met *composite reliability* so that it can be concluded that all variables have a high level of reliability.

e. **Cronbach's Alpha**

Table 4. *Average Communalities Index*

No	Variable	*Loading Factor*
1	KLK	0.829
2	KO	0.845
3	KSM	0.858
4	PTI	0.867
5	SPI	0.828
Average		**0.676**

Source: SmartPLS results (2023)

To perform value testing the reliability of indicators on a variable other than *Composite Reliability* can also be used *Cronbach's Alpha test.* A variable can be declared reliable if the *Cronbach's Alpha value* is > 0.70. Based on the data table 4.12 above, it can be seen that the value of *Cronbach's Alpha* variable Quality of Financial Statements (KLK), Organizational Commitment (KO), Quality of Human Resources (KSM), Use of Information Technology (PTI) and Internal Control Systems (SPI)> 0.70. So it can be concluded that each variable is declared reliable.

2. Structural Model Test (*Inner Model*)

The structural model (*Inner Model*) in PLS is evaluated using the coefficient of determination ($R2^{)}$, *Predictive Relevance* ($Q2^{)}$ and *Goodness of Fit Index (GoF)*.

a. Coefficient of determination (R^2)

Test (R^2) is used to see the *variability of* endogenous variables that can be explained by exogenous variables. Changes in the value of R^2 can be used to see whether the effect of exogenous latent variables on endogenous latent variables has a substantive effect. Based on data processing, it can be seen that the value of the coefficient of determination (R^2) of 0.589 is moderate or moderate. It can be concluded that the effect of exogenous latent variables on endogenous latent variables has a moderate or moderate effect.

b. *Predictive Relevance* (Q^2)

Prediction relevance test (*Q square*) is used to validate the model. To find out the predictive capability of how good the resulting value is. the higher *the Q-Square*, the research model is said the better or more fit with the data. The results of calculating the value of Predictive Relevance (Q^2) are as follows:

$$Q^2 = 1 - [(1 - R2)]$$
$$= 1 - [(1 - 0.589)]$$
$$= 1 - 0.347$$
$$= 0.653$$

Based on the calculation above, *a Q-Square* of 0.653 is obtained which is in the large category. This shows that the magnitude of the validation of the research model is 65.30%.

c.   **Goodness of Fit Index (GoF)**

The Goodness of Fit Index (GoF) test or *effect size* (*F square*) is used to validate the overall structural model. GoF is a single measure to validate the combined performance of measurement models and structural models. *The Goodness of Fit Index* (GoF) is calculated from the square root of *the Average communalities index* multiplied by the average value of the R ^{2} model. The squared value of the *loading factor* is called *communalities.*

Based on data processing, *the Goodness of Fit Index* (GoF) value of 0.534 was greater than 0.36 so it could be concluded that the goodness of the model was large or very good.

$$\mathrm{G}of = \sqrt{\overline{Com.R^2}}$$
$$GoF = \sqrt{0,678 \: x \: 0,421}$$
$$GoF = \sqrt{0,285}$$
$$GoF = 0,534$$

Table 5. *Path Coefficient*

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
KO -> KLK	0.179	0.165	0.106	1.686	0.092
KSM -> KLK	0.173	0.187	0.126	1.369	0.171
PTI -> KLK	0.082	0.091	0.113	0.724	0.469
SPI -> KLK	0.186	0.211	0.098	1.902	0.057
KO x PTI -> KLK	-0.519	-0.448	0.209	2.481	0.013
KO x KSM -> KLK	0.371	0.307	0.186	1.997	0.046
KO x SPI -> KLK	0.093	0.093	0.160	0.585	0.559

Source: SmartPLS results (2023)

3. **Hypothesis test**

Hypothesis testing can be seen from the value of the t-statistic and the probability value. To test the hypothesis using the t-statistic used is 1.96. So that the criteria for accepting/rejecting the hypothesis are that Ha is accepted and Ho is rejected when the t-statistic is > 1.96. To test the hypothesis using probability, Ha is accepted and Ho is rejected if the p value < 0.05.

1. **Hypothesis Test of the Effect of Human Resource Capacity on the Quality of Financial Statements**

Based on the results of *the path coefficient analysis*, it can be seen that the P values for KSM → KLK are 0.171 > 0.05 and the T statistic is 1.369 <1.96, so H1 is ₍rejected₎ which shows that human resource capacity does not affect the quality of the financial reports of the South Nias Regency Regional Government.

2. **Hypothesis Testing Effect of Utilization of Information Technology on the Quality of Financial Statements**

Based on the results of *the path coefficient analysis*, it can be seen that the P value for PTI → KLK is 0.057 > 0.05 and the T statistic is 0.724 <1.96, so H2 ₍is₎ rejected which shows that the use of information technology does not affect the quality of the financial reports of the South Nias Regency Regional Government.

3. **Hypothesis Test of the Effect of Internal Control Systems on the Quality of Financial Statements**

Based on the results of *the path coefficient analysis*, it can be seen that the P value for SPI → KLK is 0.076 > 0.05 and the T statistic is 1.902 <1.96, so H3 is rejected which indicates that the internal control system has no effect on the quality of the financial reports of the South Nias Regency Regional Government.

4. **Hypothesis Test of the Effect of Human Resource Capacity on the Quality of Financial Statements with Organizational Commitment as a Moderating Variable**

Based on the results of *the path coefficient analysis*, it can be seen that the P values for KO x KSM → KLK are 0.046 <0.05 and the T statistic is 1.997 > 1.96, so H 4 is accepted which indicates that organizational commitment is able to moderate the influence of human resource capacity on the quality of government financial reports. South Nias Reggency area.

5. **Hypothesis Testing Effect of Utilization of Information Technology on the Quality of Financial Statements with Organizational Commitment as a Moderating Variable**

Based on the results of *the path coefficient analysis*, it can be seen that the P values for KO x PTI → KLK are 0.013 <0.05 and the T statistic is 2.481 > 1.96, so H5 is accepted which indicates that organizational commitment is able to moderate the influence of the use of information technology on the quality of local government financial reports. South Nias Regency.

6. **Hypothesis Test of the Effect of Internal Control Systems on the Quality of Financial Statements with Organizational Commitment as a Moderating Variable**

the path coefficient analysis, it can be seen that the P values for KO x SPI → KLK are 0.559 > 0.05 and the T statistic is 0.585 <1.96, so H 6 is rejected which indicates that organizational commitment is unable to moderate the influence of the internal control system on the quality of government financial reports. South Nias Regency area.

Discussion

a. **The Effect of Human Resource Capacity on the Quality of Financial Statements**

Human resource capacity is the ability possessed by financial management officials to be able to carry out their duties and functions in a professional manner so as to produce quality financial reports. The results of the study show that the capacity of human resources has no effect on the quality of the financial reports of the South Nias District Government. If the capacity of human resources is increased or vice versa is reduced, the quality of financial reports will not change. In other words, if individual abilities are maximized, carrying out roles and functions properly to achieve goals, understanding accounting procedures and processes properly and carrying out regular training will not affect the quality of financial reports.

This study supports research (Manimpurung et al., 2018)stating that human resource capacity does not partially affect the quality of local government financial reports. However, this is not in line with research (Nurmalia et al., 2021)and (Anggita Fitriana et al., 2020) states that partially fluctuating

human resource capacity has a positive and significant impact on the quality of regional financial reporting.

b. The Influence of Utilization of Information Technology on the Quality of Financial Statements

Utilization of information technology is the level of integration of information technology in the implementation of accounting tasks so as to produce quality financial reports. The results of the study show that the use of information technology has no effect on the quality of the financial reports of the Regional Government of South Nias Regency. This shows that electronic work processes, the use of financial data management and storage, information processing with the internet network properly, good use of management systems and optimal care and maintenance of computer equipment will not affect the quality of financial reports.

The results of this study are in line with research (Qomah & Ismunawan, 2021), (D. kusuma Wardani & Nurhayati, 2020), (Fina et al., 2018), and (D. K. Wardani et al., 2018)which state that the use of information technology is not significantly influence the quality of regional financial reports. The results of this study are not in line with research (Bano et al., 2022), (Safiri & Zulkarnain, 2021), (Nurmalia et al., 2021), (Fitriani & Riyadi, 2021)), (Santoso et al., 2020), (Anggita Fitriana et al., 2020), (Irawan, 2018), and (Chodijah & Hidayah, 2018) say that the use of information technology has a positive and significant effect on the quality of local government financial reporting.

c. The Effect of Internal Control Systems on the Quality of Financial Statements

The internal control system for the quality of financial reports is a policy and procedure designed for management to carry out effective and efficient organizational activities to achieve organizational goals, one of which is to produce quality financial reports. The results of the study show that the internal control system has no effect on the quality of the financial reports of the South Nias District Government. This shows that if the internal control system is implemented properly, it will not affect the quality of financial reports. In other words, the existing accounting system can be audited; organize adequate accounting systems and procedures; have a list of accounting accounts; have *up to date accounting records*; separation of powers; disciplinary action for violations and monitoring will not affect the quality of financial reports.

The results of the research are in line with research conducted by (Safiri & Zulkarnain, 2021)and (Sambuaga et al., 2020)saying that the internal control system has no significant effect on the quality of local government financial reports. The results of this study are not in line with research (Bano et al., 2022), (Darwin, 2021), (Qomah & Ismunawan, 2021)), (Firdaus et al., 2020), (Satriawan & Dewi, 2020), (D. kusuma Wardani & Nurhayati, 2020), (Imran et al., 2020), (Chodijah & Hidayah, 2018) and (Kurniawati et al., 2018) say that the internal control system has a positive and significant effect on the quality of local government financial reports.

d. The Effect of Human Resource Capacity on the Quality of Financial Statements with Organizational Commitment as a Moderating Variable

Organizational commitment is a strong desire and hard work from financial management officials to provide all their capabilities and expertise supported by human resource capacity so that the financial reports produced are quality financial reports. The results of the study show that organizational commitment is able to moderate the influence of human resource capacity on the quality of the financial reports of the South Nias Regency Regional Government.

This shows that knowing about the vision and mission; have loyalty to the organization; involvement in work; maximum effort in work; know the goals and objectives of the work; and knowledge of the main job is able to moderate the effect of human resource capacity on the quality of financial reports.

The results of this study support research (Anggreni & Dewi, 2022)and (Bala et al., 2019)say that organizational commitment strengthens the positive influence of human resource quality on quality financial statements. In other words that organizational commitment can strengthen the influence of the quality of human resources on the quality of financial reports.

The results of this study are not in line with research (Yulisa et al., 2019), (Lestari & Dewi, 2020), (Fatimah et al., 2019) and (Wulandari, 2018) which state that organizational commitment is not able to moderate the influence of the quality of human resources on the quality of financial reports.

e. The Effect of Utilization of Information Technology on the Quality of Financial Statements with Organizational Commitment as a Moderating Variable

Organizational commitment is the strong desire and hard work of financial management officials to provide all their capabilities and expertise supported by the use of information technology so that the resulting financial reports are quality financial reports. organizational commitment is able to moderate the influence of the use of information technology on the quality of the financial reports of the Regional Government of South Nias Regency.

This shows that knowing about the vision and mission; have loyalty to the organization; involvement in work; maximum effort in work; know the goals and objectives of the work; and knowledge of the main job is able to moderate the effect of human resource capacity on the quality of financial reports.

The results of the research support research (Fatimah et al., 2019) saying that organizational commitment is able to moderate the effect of using information technology on the quality of financial reports while research (Lestari & Dewi, 2020) not in line with research saying that organizational commitment is not able to moderate the effect of the use of information technology on the quality of financial reports.

f. The Effect of Internal Control Systems on the Quality of Financial Statements with Organizational Commitment as a Moderating Variable

Organizational commitment is the strong desire and hard work of financial management officials to provide all their capabilities and expertise supported by an internal control system so that the financial reports produced are quality financial reports. The results showed that organizational commitment was not able to moderate the effect of the internal control system on the quality of the financial reports of the South Nias Regency Regional Government.

This shows that knowing about the vision and mission; have loyalty to the organization; involvement in work; maximum effort in work; know the goals and objectives of the work; and knowledge of the main job is not able to moderate the influence of the internal control system on the quality of financial reports.

This study supports research (Yulisa et al., 2019)which says that organizational commitment is not able to moderate the effect of the internal control system on the quality of local government financial

reports, whereas in research (Anggreni & Dewi, 2022), (Anggreni & Dewi, 2022), (Fatimah et al., 2019) and (Bala et al., 2019) are not in line with this study. Their research says that organizational commitment strengthens the positive influence of internal control on quality local government financial reports.

Conclusion

Based on the research results, several conclusions can be drawn that human resource capacity does not affect the quality of the financial reports of the South Nias District Government; The use of information technology has no effect on the quality of the financial reports of the Regional Government of South Nias Regency; The internal control system has no effect on the quality of the financial reports of the Regional Government of South Nias Regency; Organizational commitment is able to moderate the effect of human resource capacity on the quality of the financial reports of the Regional Government of South Nias Regency; Organizational commitment is able to moderate the influence of the use of information technology on the quality of the financial reports of the Regional Government of South Nias Regency; and Organizational commitment is not able to moderate the influence of the internal control system on the quality of the financial reports of the South Nias Regency Regional Government.

To improve the quality of financial reports, it is hoped that every financial management employee in each SKPD will master and always use the same accounting policies from year to year and the information presented in the financial reports does not favor the needs of certain parties. It is expected to be able to add sources of reference or referrals from books, national and international journals that are reputable and proceedings so that they can help students during their studies work on a thesis and continuous improvement can be made in further research.

For future researchers to be able to expand the place of research and the period of research as well as the potential influence of other variables besides those that have been used in research. Expansion of the place of research that is able conduct research at the provincial or district/municipal levels. The study period can also be adjusted by adding years research so that it has more samples that can be researched and improve research accuracy. Research can also be considered other variables such as application of regional financial accounting systems, understanding of accounting, application of regional financial information systems, education, training, workload, work experience, and understanding of government accounting standards.

References

Agung, R. I. G. (2011). *Audit Kinerja pada Sektor Publi*. Salemba Empat.

Anggita Fitriana, A. N. R., Widarno, B., & Harimurti, F. (2020). Pengaruh Kapasitas Sumber Daya Manusia, Pemanfaatan Teknologi Informasi Dan Pengendalian Intern Akuntansi Terhadap Kualitas Pelaporan Keuangan Daerah (Studi Pada Badan Keuangan Daerah Kabupaten Sukoharjo). *Jurnal Akuntansi Dan Sistem Teknologi Informasi*, *15*(4), 649–658. https://doi.org/10.33061/jasti.v15i4.3750

Anggreni, I. G. A. P., & Dewi, L. G. K. (2022). Pengaruh Kompetensi SDM dan Pengendalian Internal terhadap Kualitas Laporan Keuangan dengan Komitmen Organisasi sebagai Pemoderasi. *Jurnal Akuntansi Profesi*, *13*(2), 490–500.

Atika, D., Junaidi, L. D., & Irmadhani, A. (2019). Pengaruh Pemahaman Akuntansi, Pengalaman Kerja serta Peran Internal Audit terhadap Kualitas Laporan Keuangan Pemerintahan Kota Medan. *Jurnal Warta*, *13*(4), 77–90. https://jurnal.dharmawangsa.ac.id/index.php/juwarta/article/view/510

Bala, J. M. P. D., Rosidi, & Djamhuri, A. (2019). the Effect of Hr Competence and Internal Control Systems on Quality of Financial Statements with Organizational Commitment as Moderation Variables. *South East Asia Journal of Contemporary Business, Economics and Law*, *19*(5 (August)), 47–54. www.bpk.go.id

Bano, A. R. M., Blongkod, H., & Tuli, H. (2022). Analisis Faktor-Faktor yang Mempengaruhi Kualitas Laporan Keuangan di Kabupaten Boalemo (Studi pada Organisasi Perangkat Daerah Kabupaten Boalemo). *Jurnal Mahasiswa Akuntansi*, *1*(2), 101–115. https://doi.org/10.37479/jamak.v1i2.34

Bastian, I. (2006). Akuntansi Sektor Publik: Suatu Pengantar (Yogyakarta:Erlangga,2006). In *Akuntansi Sektor Publik: Suatu Pengantar,*. Salemba Empat.

Budiawan. (2014). *Pengaruh Sistem Pengendalian Internal*. Andi.

Chodijah, S., & Hidayah, N. (2018). Pengaruh Pemanfaatan Teknologi Informasi Dan Sistem Pengendalian Internal Terhadap Kualitas Pelaporan Keuangan Pemerintah Daerah. *Jurnal Tekun*, *8*(1), 34–48.

Darwin, K. (2021). Kualitas Laporan Keuangan Pemerintah Kota Makassar Melalui Kompetensi Aparatur, Sistem Pengendalian Intern Dan Komitmen Organisasi. *Bisnis Dan Akuntansi (JEBA)*, *23*(4). https://mediaindonesia.com

Didit, D. (2013). *Prinsip-Prinsip Perilaku Organisasi*. PT. Temprima Media Grafika.

Fatimah, S., Habbe, A. H., & Fattah, S. (2019). The Effect of Internal Control, Human Resources Competency, and Use of Information Technology on Quality of Financial Statement with Organizational Commitment as Intervening Variables. *International Journal of Innovative Science and Research Technology*, *4*(12), 1065–1072.

Fina, D., Nurmiati, & Hadiwijaya, N. (2018). Pengaruh Kualitas Sumber Daya Manusia, Penfaatan Teknologi Informasi dan Pengawasan Keuangan Terhadap Pelaporan Keuangan Pemerinah Daerah Kepulauan Selayar. *AkMen Jurnal Ilmiah*, *15*(3), 403–411.

Firdaus, W., Ibrahim, R., Harmani, H., & Djalil, M. A. (2020). The Effect of Organizational Commitments, Human Resource Competency, Utilization Of Information Technology, Effectiveness of Internal Control, And The Implementation of Government Accounting Standard on The Quality of Financial Statement of Government Age. *Cross Current International Journal of Economics, Management and Media Studies*, *2*(4), 80–88. https://doi.org/10.36344/ccijemms.2020.v02i04.002

Fitriani, A., & Riyadi, W. (2021). Pengaruh Kualitas Sumber Daya Manusia, Pemanfaatan Teknologi Informasi Dan Pengendalian Intern Terhadap Nilai Informasi Pelaporan Keuangan Pemerintah Daerah (Studi Pada Satuan Kerja Perangkat Daerah Kabupaten Majalengka). *Jurnal Akuntansi Keuangan Dan Sistem Informasi (JAKSI)*, *2*(2 (Agustus-Februari)), 138–150.

Hernanda, L. T., & Setiyawati, H. (2020). Pengaruh Komitmen Organisasi, Pelaksanaan Anggaran Dan Implementasi Sistem Informasi Akuntansi Terhadap Kualitas Laporan Keuangan (Survei pada Pemerintah Daerah Kota Bogor). *Al-Mal: Jurnal Akuntansi Dan Keuangan Islam*, *1*(2), 115–129. https://doi.org/10.24042/al-mal.v1i2.5909

Ilmiddaviq, M. B. (2022). Pengaruh Komitmen Organisasi Dan Kompetensi Sumber Daya Manusia Terhadap Kualitas Laporan Keuangan Dengan Pemoderasi Lean Management di CV Aji Soko Abadi. *Bisman*, *5*(2 (Juli)), 300–310.

Imran, M., Nurjannah, Novita, Ki., Wahid, A., & Alwahidin. (2020). Influence Of Human Resources, Information Technology, Internal Control System And Regional Financial Supervision On Value Of Financial Reporting Information. *Al-Kharaj: Journal of Islamic Economic and Business*, *2*(1), 49–65. https://doi.org/10.24256

Irawan, D. (2018). *Pengaruh Pemanfaatan Teknologi Informasi, Kualitas Sumber Daya Manusia, Pengendalian Intern Dan Komitemen Organisasi Terhadap Keterandalan Pelaporan Keuangan Pemerintah Daerah (Studi Empiris Pada Organisasi Perangkat Daerah Kabupaten Rokan Hilir)*. *1*(1), 1–13.

Kaok, M. (2021). Analisis komitmen organisasi dan kompetensi sdm terhadap kualitas laporan keuangan. *Forum Ekonomi*, *23*(4), 748–754. https://doi.org/10.30872/jfor.v23i4.10091

Kasmir. (2016). *Analisis Laporan Keuangan*. PT. Raja Grafindo Persada.

Kesowo, B. (2003). *Undang-Undang Republik Indonesia Nomor 17 Tahun 2003 Tentang Keuangan Negara*.

Kesowo, B. (2004). *Undang-Undang Republik Indonesia Nomor 32 Tahun 2004 Tentang Pemerintah Daerah*.

Kurniawati, I., Rispantyo, & Kristianto, D. (2018). Pengaruh Kualitas Sumber Daya Manusia, Pemanfaatan Teknologi Informasi dan Sistem Pengendalian Intern Akuntansi terhadap Keterandalan Laporan Keuangan. *Jurnal Akuntansi Dan Sistem Teknologi Informasi*, *14*(1), 76–88.

Laoly, Y. H. (2020). *Undang-Undang Republik Indonesia Nomor 2 Tahun 2020 tentang Penetapan Peraturan Pemerintah Pengganti Undang-Undang Nomor 1 Tahun 2020 Tentang kebijakan Keuangan Negara dan Stabilitas Sistem Keuangan untuk Penanganan Pandemi Covid-19*. https://peraturan.bpk.go.id/Home/Details/137323/uu-no-2-tahun-2020

Lestari, N. L. W. T., & Dewi, N. N. S. R. T. (2020). Pengaruh Pemahaman Akuntansi, Pemanfaatan Sistem Informasi Akuntansi Dan Sistem Pengendalian Intern Terhadap Kualitas Laporan Keuangan. *KRISNA: Kumpulan Riset Akuntansi*, *11*(2), 170–178. https://doi.org/10.22225/kr.11.2.1435.170-178

Manimpurung, R., Kalangi, L., & Gerungai, N. (2018). Pengaruh Kapasitas Sumber Daya Manusia Dan Komitmen Organisasi Terhadap Kualitas Laporan Keuangan Pemerintah Daerah Pada Badan Pengelola Keuangan Dan Aset Daerah (Bpkad) Kota Manado. *Going Concern : Jurnal Riset Akuntansi*, *13*(02), 241–250. https://doi.org/10.32400/gc.13.02.19142.2018

Muhlihah. (2021). Analisis Faktor-Faktor Yang Mempengaruhi Kualitas Informasi Laporan Keuangan Pemerintah Daerah. *Jambura Accounting Review*, *2*(1), 76–86. https://jar.fe.ung.ac.id/index.php/jar/article/view/58

Murapi, I. (2020). Pengaruh Sitem Akuntansi Keuangan Daerah, Pemanfaatan Teknologi Informasi, Komitmen Organisasi Terhadap Kualitas Informasi Laporan Keuangan Pemerintah Daerah Kabupaten Lombok Tengah. *Riset, Ekonomi, Akuntansi Dan Perpajakan (Rekan)*, *1*(1), 1–9. https://doi.org/10.30812/rekan.v1i1.660

Nugroho, S. S. (2010). *Peraturan Pemerintah Republik Indonesia Nomor 71 Tahun 2010 tentang Standar Akuntansi Pemerintah (SAP)*. https://doi.org/10.1017/CBO9781107415324.004

Nurmalia, Amin, M., & Hariri. (2021). Pengaruh Kapasitas Sumber Daya Manusia, Pemanfaatan Teknologi Informasi Dan Pengendalian Intern Akuntansi Terhadap Kualitas Dalam Pelaporan Keuangan Daerah (Studi Empiris Pada BPKD Kabupaten Lumajang). *E-Jra*, *10*(01), 121–135.

Oktavia, S., & Rahayu, S. (2019). Pengaruh Kompetensi Sumber Daya Manusia , Komitmen Organisasi Laporan Keuangan Daerah (Studi Kasus Pada Satuan Kinerja Perangkat Daerah Kota Bandung Tahun 2018). *E-Proceeding of Management*, *6*(1 April), 652–659.

Pravasanti, Y. A., & Ningsih, S. (2019). Pengaruh Kualitas Aparatur Daerah, Sistem Akuntansi Keuangan Daerah, Dan Pemanfaatan Teknologi Informasi Terhadap Kualitas Laporan Keuangan Pemerintah Daerah (Studi Empiris Satuan Kerja Perangkat Daerah Kabupaten Sukoharjo). *AKTSAR: Jurnal Akuntansi Syariah*, *2*(2), 199. https://doi.org/10.21043/aktsar.v2i2.6054

Qomah, S., & Ismunawan. (2021). Faktor Faktor Yang Mempengaruhi Kualitas Informasi Laporan Keuangan Pemerintah Daerah. *Jurnal Akuntansi Trisakti*, *8*, 95–108. https://doi.org/http://dx.doi.org/10.25105/jat.v8i1.8718

Safiri, E. N., & Zulkarnain, P. D. (2021). Analisis Faktor-Faktor Yang Mempengaruhi Kualitas Informasi Laporan Keuangan Pemerintah Daerah. *Jurnal Ilmiah Akuntansi Kesatuan (JIAKES)*, *9*(2), 225–234. https://doi.org/10.37641/jiakes.v912.492

Sambuaga, F. R., Siahay, A. Z. D., & Falah, S. (2020). Pengaruh Sistem Pengendalian Internal Terhadap Kualitas Laporan Keuangan Dengan Kompetensi Sumber Daya Manusia Sebagai Variabel Moderasi (Studi Kasus pada Pemerintahan Kabupaten Keerom). *Jurnal Kajian Ekonomi Dan Keuangan Daerah*, *5*(1), 105–124. https://doi.org/10.52062/keuda.v5i1.1224

Santoso, H. M., Sarwono, A. E., & Kristianto, D. (2020). Pengaruh Pemahaman Standar Akuntansi Pemerintah, Kompetensi Sumber Daya Manusia Dan Pemanfaatan Teknologi Informasi Terhadap

Kualitas Pelaporan Keuangan Pemerintah Daerah (Survei pada Pemerintah Daerah Se-Eks. Karesidenan Surakarta). *Jurnal Akuntansi Dan Sistem Teknologi Informasi*, *16*(3), 322–331. https://doi.org/10.33061/jasti.v16i3.4440

Satriawan, G. M. I., & Dewi, G. A. K. R. S. (2020). Komitmen Organisasi Memoderasi Pengaruh Pengendalian Intern, Kualitas Sumber Daya Manusia, dan Pemanfaatan Teknologi Informasi pada Kualitas Laporan Keuangan. *Jurnal Ilmiah Akuntansi Dan Humanika*, *10*(2), 255. https://doi.org/10.23887/jiah.v10i2.25981

Setiawan, W. (2008). *Peraturan Pemerintah Republik Indonesia Nomor 60 Tahun 2008 Tentang Sistem Pengendalian Intern Pemerintah*.

Syamsudin, A. (2014). *Undang-Undang Republik Indonesia Nomor 23 Tahun 2014 Tentang Pemerintahan Daerah*.

Wahid, A. (2006). *Peraturan Pemerintah Republik Indonesia Nomor 8 Tahun 2006 Tentang Pelaporan Keuangan Dan Kinerja Instansi Pemerintah Dengan*. https://doi.org/10.1002/ejoc.201200111

Wahyudi, L., & Widyawati, D. (2019). Faktor-faktor Yang Mempengaruhi Keterandalan Pelaporan Keuangan. *Jurnal Ilmu Dan Riset Akuntansi*, *8*(6), 1–18.

Wardani, D. K., Ayem, S., & Ningrum, T. I. (2018). Pengaruh Kualitas Sumbe r Daya Manusia , Pemanfaatan Teknologi Informasi dan Penerapan Standar Akuntansi Peme rintahan Berbasis Akrual Te rhadap Kualitas Laporan Keuangan Pengadilan Agama Batam The Influence of Quality of Human Resources , Utilization of. *Prosiding Seminar Nasional Multimedia & Artificial Intelligence*, *84*, 48.

Wardani, D. kusuma, & Nurhayati, N. (2020). Pengaruh Kualitas Sumber Daya Manusia, Pemanfaatan Teknologi Informasi, Dan Sistem Pengendalian Intern Terhadap Keterandalan Pelaporan Keuangan Pemerintah Daerah Kabupaten Rokan Hulu. *Jurnal Analisa Akuntansi Dan Perpajakan*, *4*(2), 129–133. https://doi.org/10.25139/jaap.v4i2.3055

Wati, C. H. S. (2017). Pengaruh Sumber Daya Manusia Dan Pemanfaatan Teknologi Terhadap Nilai Informasi Pelaporan Keuangan Pada Pemerintah Daerah Kabupaten Merauke. *Jurnal Ilmu Ekonomi & Sosial*, *VIII*(April), 65–80.

Wulandari, M. (2018). Pengaruh Penerapan Standar Akuntansi Pemerintah Dan Kompetensi Sumber Daya Manusia Terhadap Kualitas Laporan Keuangan Pemrintah Daerah Dengan Komitmen Organisasi Sebagai Variabel Moderasi (Studi Empiris Pada Satuan Kerja Perangkat Daerah Kabupaten Solok S. *Fakultas Ekonomi, UNP*, *10*(3), 1–13.

Yulisa, F., Ratnawati, V., & Taufik, T. (2019). The Factors Affecting Regional Financial Accountability: Organizational Commitment as Moderating Variables (Study on Rokan Hilir District Government OPD). *International Journal of Economics, Business and Applications*, *4*(2), 61–73.

Zubaidi, N., Cahyono, D., & Maharani, A. (2019). Pengaruh Kompetensi Sumber Daya Manusia dan Pemanfaatan Teknologi Informasi terhadap Kualitas Laporan Keuangan. *International Journal of Social Science and Business.*, *3*(2), 68–76. https://ejournal.undiksha.ac.id/index.php/IJSSB/index%0ALOGO.

Copyrights