

Human Resources Competence As A Bridge Of Transparency, Accountability And Internal Control In Improving The Quality Of Regional Financial Reports

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Abstract

Background: Sukabumi Regency has received an Unqualified Opinion (WTP) for its Regional Financial Report (LKPD) for the 2023 Fiscal Year. This is the 11th consecutive year. This demonstrates a commitment to transparency and accountability in regional financial management. Following the WTP opinion, the Supreme Audit Agency (BPK) provided several findings and recommendations for further improvement, including those related to policies and mechanisms for measuring the performance of Public Service Providers (PPJU), processing overpayments, and improving the inventory and verification of infrastructure, facilities, and Public Service Providers (PSU) assets from housing developments. (<https://www.google.com/search?q=hasil+audit+bpk+2024+kabupaten+sukabumi>.)

Purpose: This study aims to determine whether human resource competency can enhance transparency, accountability, and internal control in improving the quality of financial reports.

Methodology: According to (Sugiyono, 2020), the research method is a series of activity processes starting from collecting, analyzing to interpreting data from research results. This research is a survey study with an associative approach to data analysis. The instrument used for data collection was a questionnaire, while the data analysis tool used was multiple linear regression. The subjects of this study were 30 employees of regional government agencies (OPD) involved in regional financial management in Sukabumi Regency. The sampling technique used purposive sampling with 120 employees.

Findings – The test results show that transparency has a partial influence in improving the quality of financial reports. This means that the greater the transparency, the better the quality of financial reports. Conversely, the lower the transparency, the lower the quality of financial reports in Sukabumi Regency. Accountability has a partial influence in improving the quality of financial reports. This means that the greater the accountability of OPD employees, the better the quality of financial reports. Conversely, the lower the accountability, the worse the quality of financial reports in Sukabumi Regency. Internal Control has a partial influence in improving the quality of financial reports. This means that the greater the Internal Control of OPD employees, the better the quality of financial reports. Conversely, the lower the Internal Control in OPD, the worse the quality of financial reports in Sukabumi Regency. Human Resource Competence has a partial influence in improving the quality of financial reports. This means that the greater the Competence of OPD employees, the better the quality of financial reports. Conversely, the lower the Competence of OPD employees, the worse the quality of financial reports in Sukabumi Regency. Human Resource Competence can bridge the influence of transparency, accountability, and Internal Control in improving the quality of financial reports in Sukabumi Regency. This means that increasing the competency of OPD human resources in Sukabumi Regency will further increase the influence of transparency, accountability, and internal control in improving the quality of regional financial reports.

Research limitations – This study was conducted based on data obtained using a questionnaire instrument and the perceptions of OPD employees in Sukabumi Regency. Therefore, these findings cannot be generalized to public perceptions in general.

Originality/value – This study is relatively unique because human resource competency is rarely used as a mediator between transparency, accountability, and internal control in improving the quality of financial reports. This research can provide a new platform, as human resource competency has often been used as a direct variable in research.

Keywords: Competence, Transparency, Accountability, Internal Control, Financial Reports