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THE INFLUENCE OF THE QUALITY OF HUMAN RESOURCES, INTERNAL CONTROL SYSTEMS, AND ORGANIZATIONAL COMMITMENT ON THE VALUE OF GOVERNMENT FINANCIAL REPORTING INFORMATION (Study on Makassar City Government)

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Abstract

This study aims to determine and examine the effect of the quality of human resources internal control system and organizational commitment on the value of the government financial reporting information to the Makassar city government. Data collection uses primary data obtained from questionnaires using porpose sampling technique. The sample in this study was the head of the finance section and 4 finance taff in 9 SKPD Makassar city with total of 45 respondents. The method used is quantitative method. The result of the questionnaire have been tested for validity and reliability, and classical assumptions have been tested in the form of normality assumptions, multicollinearity assumptions and heteroscedasticity assumptions. Methods of data analysis using multiple linear regression techniques. Data were analyzed using SPSS version 26 . The results of this study indicate that the quality of human resources has an effect but not Significant on the information value of financial reporting then intern system has an effect on and is significant of the information value of financial reporting and organizational commitment has an effect but not significantly on the value of government financial reporting information.

Keywords: *Quality of Human Resources, Internal Control, System, Organizational Commitment and Information Value of Financial Reporting.*

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INTRODUCTION

In presenting financial reports, the government is often required to produce quality financial reports. Financial reports are a means of accountability for the financial performance of an agency's management to the public entrusted to it. Information in financial reports can be used by interested parties. These parties use the information contained in the financial reports to make decisions which are expected to lead the agency in a better direction.

According to Priyanto (2013), information value can be interpreted as data with meaning or meaning or information that has relative importance and benefit for making a decision to take the next action. The most important part of the value of information is that when a person receives information, he can make a decision so the information is not relevant for taking further action.

The value of information is data or information that has important benefits that are useful in making decisions in taking further action. The value of quality financial reporting information cannot be realized if it is not supported by human resources who have competence in their field. Competent Human Resources (HR) are needed who understand the fields of government accounting, regional finance and even government organizations so that the value of financial report information can be understood by users. Human Resource Competency (HR) is the ability of HR to carry out the duties and responsibilities given to them with sufficient education, training and experience.

The internal control system is also a factor that plays a role in determining the value of financial reporting information. Government Regulation no. 60 of 2008 explains that an Internal Control System which is implemented adequately and optimally continuously by the leadership of the organization and all employees, will create effective and efficient activities, reliable financial reporting and compliance with statutory regulations.

Apart from that, another thing that influences the value of local government financial reporting information is organizational commitment. Conceptually, organizational commitment is an internal factor within each employee that can influence the performance of the employee concerned in achieving the goals of an organization. Organizational commitment shows strong belief and support for the values and goals that the organization wants to achieve. High commitment makes individuals care about the fate of the organization and try to make the organization in a better direction. So if an organization's commitment is good, it will produce

financial reports that are accurate, relevant and reliable, and will maintain compliance with the government's presentation of financial reports in accordance with reliable SAP (Government Accounting Standards).

In 2019, the Supreme Audit Agency (BPK) carried out an examination of the Makassar City Regional Government Financial Report (LKPD) and received a Fair Without Exception (WTP) opinion, however in 2020 the Makassar City LKPD received

a Fair With Exceptions (WDP). Then in 2021 the Makassar City Regional Government Financial Report (LKPD) again received an Unqualified Opinion (WTP) with 3 important points of note, namely related to assets, land and building rights acquisition fees (BPHTB) and budgeting that was not on target. (<https://makassar.sindonews.com>). Based on the opinion results of the Financial Audit Agency (BPK), the phenomenon that occurred above has shown that the Makassar City Regional Government Financial Report (LKPD) has been presented well and with quality. However, the opinion given for the Regional Government Financial Report (LKPD) still contains notes that do not meet the required information value. One concrete effort to realize transparency and accountability in regional financial management is to improve the quality of human resources, internal control systems and organizational commitment.

This research develops research (Rahman & Widyastuti, 2022) which uses the variables quality of human resources and internal control systems as independent variables, while the value of financial reporting information as the dependent variable. This research uses differentiation on the grounds that high organizational commitment can increase the value of quality financial reporting information. This research took a sample from the Makassar city government because it was considered sufficient to represent the selected criteria. It is hoped that carrying out this research will contribute to the Makassar city government in increasing the value of financial reporting information

METHODOLOGY

This research uses a quantitative method approach, namely a method based on the philosophy of positivism, used to research certain populations or samples, data collection using research instruments, statistical data analysis, with the aim of testing the established hypothesis (Sugiyono, 2021:16). The purpose of this research is to determine the influence of the quality of human resources, internal control systems, and organizational commitment on the value of financial reporting information in the Makassar City Government. Hypotheses were formulated through field data collection using research instruments in the form of questionnaires. The questionnaires that have been collected will then be analyzed using a quantitative approach, namely by carrying out descriptive statistical tests so that a conclusion can be reached whether the hypothesis can be proven or not.

Population is a generalized area consisting of objects or subjects that have certain qualities and characteristics that have been determined by researchers to be studied and then drawn conclusions. So population does not only include people but also objects and other natural objects (Sugiyono 2021: 285). The population in this study was 57 OPDs in the city of Makassar.

The sample is part of the number and characteristics of the population. The method used by researchers in selecting research samples is purposive sampling. Purposive sampling is a technique for determining samples with certain considerations (Sugiyono, 2021:133).

The criteria in this research are:

- a. Minimum work period of 2 years.
- b. Finance employees are: owned by them.. Sampling (Sugiyono, 2021:133).

Based on the criteria above, the samples in this study were the head of the finance department and 4 finance department staff.

RESULTS AND DISCUSSION

Makassar is the capital of South Sulawesi Province, which is located in the southern part of Sulawesi Island which was previously called Ujung Pandang. Makassar City has a temperate to tropical climate with an average air temperature of around 26°C. 29°. Administratively, Makassar City is divided into 15 sub-districts with 153 sub-districts. At the end of 2019, the administrative area of Makassar City consisted of 15 sub-districts, namely Biringkanaya, Bontoala, Makassar, Mamajang, Manggala, Mariso, Panakukang, Rappocini, Sangkarang, Tallo, Tamalate, Ujung Pandang, Ujung Tanah, and Wajo.

The quality of human resources is very important in government financial reporting. Employees with good competence, adequate knowledge of government accounting, and relevant technical abilities will be better able to produce accurate, transparent, and reliable financial statements. In Makassar, the quality of human resources in the government will determine how well the financial data management and reporting process is carried out.

An effective internal control system ensures that every financial transaction carried out by the government is recorded correctly and in accordance with procedures. Strong internal controls help prevent errors or fraud in financial reporting. In the context of the Makassar City Government, this system will play a role in ensuring the integrity and reliability of financial statements.

The commitment of employees and management in government organizations plays an important role in maintaining the quality of financial reporting. Organizations that have a high commitment to transparency, accountability, and integrity tend to produce more valuable and trustworthy financial reports. The Makassar City Government, which shows this commitment, will be able to produce financial statements that meet national and international standards.

CONCLUSION

- 1) The quality of human resources has an effect but is not significant on the value of government financial reporting information.
- 2) The internal control system has a significant influence on the value of government financial reporting information.
- 3) Organizational Commitment has an effect but is not significant on the Value of Financial Reporting Information

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