The Influence Of Internal Control Systems, Government Size, Information Technology And Human Resources On The Transparency Of Regional Government Financial Management (Study On Organizations Kerinci Regency Regional Apparatus (OPD))

Zuska Ega [1], Yudi [2], Yuliusman [3], Sumarni [4]
[1,2,3,4]Jambi University

AbstractThis research aims to determine the influence of internal control systems, government size, information technology, human resources on the transparency of regional financial management (case study of the Kerinci Regency Regional Apparatus Organization (OP). The population in this study were Civil Servants in 42 OPDs in Kerinci Regency consisting of 42 OPDs. The sample in this study used a saturated sample, namely a sampling technique using the entire population as a research sample consisting of 168 respondents. This research method uses quantitative methods. This research uses primary data obtained from questionnaires distributed to respondents.The research results show that the internal control system has no significant effect on the transparency of regional financial management, while the size of the government has a significant effect on the transparency of regional financial management, while information technology has no significant effect on the transparency of regional financial management and human resources have an effect on the transparency of regional financial management.

Keywords: Internal Control System, Government Size, Information Technology, Human Resources, Transparency of Regional Financial Management.

INTRODUCTION

Transparency in public financial management is a principle of good governance that must be fulfilled by public sector organizations. By implementing public transparency as a first step in obtaining actual and factual information. So that they can use this information to compare the financial performance achieved with plan, assess whether there is corruption and manipulation in planning, implementation and budget accountability, determine the level of compliance with statutory regulations, know the rights and obligations of each party, namely between public sector organizations with the community and with other related parties (Mahmudi, 2014).

Nulailah & Syamsul (2021) stated that Jambi Province is one of the provincial governments with a fairly low level of transparency in aspects of regional budget management with an average score of 28.33%. Based on Ritonga & Syamsul's (2016) research, it was revealed that the Jambi Provincial Government with transparency score criteria was quite low for the planning aspect with a score of 1 (10%), the Jambi Provincial Government was also included in the twenty-six lowest ranking provincial governments for the implementation aspect, namely with a score of 1 (11 .11%), and the reporting and accountability aspect of the Jambi Provincial Government is included in one of the Provincial Governments with quite low transparency score criteria with a score of 1 (10%).

According to Deddi Fardian (2020), Human Resources (HR) has a positive influence on the transparency of financial management, normative isomorphism occurs in public organizations. This shows that the regional apparatus in Padang City already has an understanding of accounting in implementing a transparent financial reporting process, has adequate resources, there are quality human resources in the SKPD, training is provided to support the implementation of transparent financial reporting and ongoing education is provided. within the SKPD internally to deal with environmental changes. In line with research conducted by Irna Triannur Lubis and Yuni Shara (2021) it is stated that Human Resources have a positive influence on the Preparation of Regional Expenditure Budgets in the City of Medan. Likewise, research conducted by Dananjaya Dipta Admaja shows that Human Resources have a positive influence on the creation of Quality Financial Reports in Regional Work Units. This is different from research conducted by Imelia et al (2021) which states that there is no significant influence between human resource competence and the quality of financial reports. Likewise, research conducted by Rizal Giri Laksoni (2023) stated that Human Resources did not have a positive effect on the quality of local government financial reports.

LITERATURE REVIEW

Agency Theory (Agency Theory)

One theory that discusses the relationship between principals and agents is agency theory. According to Jensen & Meckling (1976), agency theory describes a relationship that results from a mutual agreement between two parties, where the principal gives authority or mandate and responsibility to the agent to make decisions that serve the interests of the principal, and the agent in turn. Agency theory can be applied to public sector organizations as stated by Lane (2003). Using agency theory, modern democratic countries rely on a series of principal-agent connections to illustrate the principles of public sector economics. One of the most important ways of analyzing public policy involvement is the interaction between principals and agents.

Transparency

The definition of transparency is contained in the Government Regulation that regulates Government Accounting Standards, namely Government Regulation No. 71 of 2010 (PP71/2010) which states the limits of transparency as follows: "Providing open and honest financial information to the public based on the consideration that the public has the right to

know openly and thoroughly the government's accountability in managing the resources entrusted to it and its compliance with legislation". Having openness in carrying out public administration will make it easier to monitor the running of the government. With public supervision, it can prevent irregularities in resource allocation and violations in government activities, namely corruption. This indicates that increasing the transparency of local government financial reports can reduce the level of government corruption and a lack of transparency can cause high levels of local government corruptionKhairudin & Erlanda (2016).

Size of Government

Regional size can describe the size of an area and also the size of the demands on that area. The size of the regional government is a variable of how large or small the regional government is, which is generally measured by total assets. Governments with large assets are considered to have the potential to serve society better. Automatically, regional government performance will increase according to the size of its assets, Alvini (2018). Regions with a large size have a better opportunity to improve their performance than regions with a small size, due to the greater resources they have, both in terms of quantity and quality Anzarsari (2018).

Information Technology

Information Technology (IT) can be defined as technology that has the ability to capture, store, process, retrieve and transmit information.Darwanis & Mahayani (2019).

Human Resources

Ihsanti (2014) explains that Human Resource Competency is the ability or expertise of individuals in an organization or institutional system to implement their skills in achieving their goals effectively and efficiently. These competencies are the ability to achieve a job, thereby producing outputs and results.

RESEARCH METHODS

Types of research

In its process, this research is quantitative data processing, both from collection, tabulation, analysis and drawing research conclusions. Therefore, the research used is quantitative research

Quantitative research according to Sekaran (2017) is a scientific method where data in numerical form can be processed and then analyzed using mathematical or statistical

calculations. According to Cooper (2017), quantitative research is measuring something accurately and is used to measure customer behavior, knowledge, opinions and attitudes.

Research sites

According to Sekaran (2017), research location refers to the meaning of a place or social location of research which is characterized by the presence of elements, namely actors, places and activities that can be observed. According to Sugiyono (2019) a research location is a place where researchers obtain information regarding the required data. The research location is the place where the research will be carried out. Location selection must be based on considerations of attractiveness, uniqueness and suitability for the chosen topic. The location of this research was carried out within the Regional Apparatus Organization (OPD) of Kerinci Regency.

RESULTS AND DISCUSSION

Validity test

Validity is the degree of accuracy between the data that actually occurs on the research object and the data that can be reported by the researcher. Valid data is data that does not differ between the data reported by researchers and the data that actually occurs at the research object (Indriantoro & Supomo, 2018).

Convergent Validity Testing

Measuring the degree of correlation between constructs and latent variables. This is related to the principle that measuring the manifest variables of a construct must have a large impact. As a general rule, the outer loading value should exceed 0.7 to assess the validity of convergence.

The following are the results of the PLS Algorithm which shows the validity test.
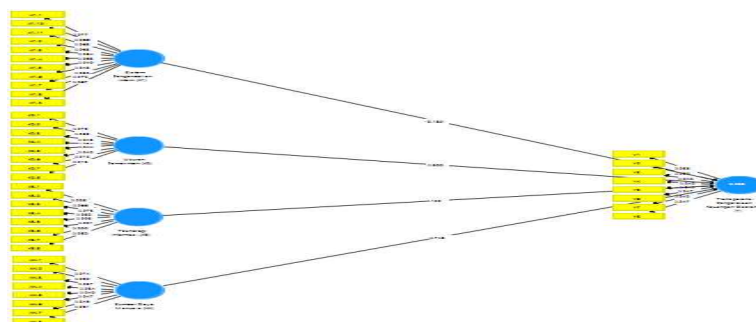
Figure 1

PLS Algorithm

Figure 1 shows the outer model test which can be detailed in several tables below. Table 4.6 below presents the results of the convergent validity test on the indicators of the Internal Control System (X1), Government Size (X2), Information Technology (X3), Human Resources (X4) and Regional Financial Management Transparency (Y). This value comes from the outer loading of the running PLS Algorithm.

Table 1

Outer Loading

	SPI (X1)	UP (X2)	TI (X3)	SDM (X4)	T PK D (Y)
X1.1	0.977				
X1.10	0.966				
X1.11	0.963				
X1.2	0.963				
X1.3	0.954				
X1.4	0.963				
X1.5	0.949				
X1.6	0.943				
X1.7	0.932				
X1.8	0.972				
X1.9	0.967				
X2.1		0.975			
X2.2		0.953			
X2.3		0.943			
X2.4		0.954			
X2.5		0.944			
X2.6		0.942			
X2.7		0.912			
X2.8		0.913			
X3.1			0.928		
X3.2			0.966		
X3.3			0.973		
X3.4			0.982		
X3.5			0.993		
X3.6			0.991		
X3.7			0.990		
X3.8			0.982		
X4.1				0.974	
X4.2				0.959	
X4.3				0.937	
X4.4				0.934	
X4.5				0.949	
X4.6				0.947	
X4.7				0.945	
X4.8				0.951	
Y1					0.938
Y2					0.939
Y3					0.942
Y4					0.942
Y5					0.949
Y6					0.947
Y7					0.942
Y8					0.947

Source: data processed by researchers

Table 1 above shows that each indicator in the questionnaire produces an outer loading value of > 0.7, in other words the indicators in this study are valid so they are able to measure the variables Internal Control System (X1), Government Size (X2), Information Technology (X3), Source Human Resources (X4) and Transparency of Regional Financial Management (Y).

Discriminant Validity

The next stage is to carry out a discriminant validity test. In PLS testing, the discriminant validity test uses cross-loadings. Cross-loadings is an approach taken initially in assessing the discriminant validity of indicators and continued with Cronbah'c Alpha.

The discriminant validity test uses cross loading values and is carried out to ensure that each concept of each latent variable is different from the other variables. An indicator is declared to meet discriminant validity if the cross loading value for each variable is greater than 0.70. The discriminant validity test results were obtained as follows:

Table 2

Discriminant validity test results (Cross Loading)

	SPI (X1)	UP (X2)	TI (X3)	SDM (X4)	TPKD (Y)
X1.1	0.977	0.964	0.968	0.965	0.957
X1.10	0.966	0.942	0.955	0.949	0.937
X1.11	0.963	0.944	0.957	0.949	0.936
X1.2	0.963	0.960	0.957	0.960	0.958
X1.3	0.954	0.948	0.941	0.945	0.937
X1.4	0.963	0.956	0.958	0.954	0.951
X1.5	0.949	0.946	0.938	0.955	0.946
X1.6	0.943	0.944	0.928	0.950	0.944
X1.7	0.932	0.910	0.932	0.913	0.902
X1.8	0.972	0.964	0.968	0.963	0.955
X1.9	0.967	0.958	0.967	0.956	0.955
X2.1	0.981	0.975	0.979	0.972	0.968
X2.2	0.955	0.953	0.947	0.955	0.952
X2.3	0.934	0.943	0.937	0.929	0.931
X2.4	0.958	0.954	0.957	0.951	0.947
X2.5	0.943	0.944	0.936	0.947	0.943
X2.6	0.930	0.942	0.924	0.939	0.943
X2.7	0.877	0.912	0.882	0.874	0.862
X2.8	0.875	0.913	0.873	0.870	0.876
X3.1	0.919	0.903	0.928	0.896	0.889
X3.2	0.962	0.961	0.966	0.959	0.952
X3.3	0.967	0.964	0.973	0.960	0.957
X3.4	0.971	0.969	0.982	0.963	0.961
X3.5	0.991	0.981	0.993	0.981	0.975
X3.6	0.984	0.978	0.991	0.975	0.972
X3.7	0.983	0.979	0.990	0.976	0.972
X3.8	0.968	0.970	0.982	0.960	0.963
X4.1	0.984	0.973	0.977	0.974	0.965
X4.2	0.955	0.952	0.946	0.959	0.957
X4.3	0.936	0.935	0.928	0.937	0.929
X4.4	0.935	0.929	0.930	0.934	0.936
X4.5	0.934	0.931	0.926	0.949	0.937
X4.6	0.937	0.937	0.923	0.947	0.938
X4.7	0.914	0.915	0.905	0.945	0.925
X4.8	0.933	0.930	0.930	0.951	0.932
Y1	0.919	0.921	0.918	0.922	0.938
Y2	0.930	0.925	0.921	0.940	0.939
Y3	0.932	0.938	0.931	0.933	0.942
Y4	0.943	0.935	0.940	0.945	0.942
Y5	0.937	0.934	0.930	0.946	0.949
Y6	0.930	0.941	0.926	0.938	0.947
Y7	0.910	0.921	0.907	0.919	0.942
Y8	0.922	0.920	0.918	0.929	0.947

Source: Data processed by researchers

Based on table 2, it can be seen that all indicators in the research variables have cross loading values greater than 0.7. Based on the results obtained, it can be stated that the indicators used in this research have good discriminant validity in compiling their respective variables. The conclusion for the discriminant validity test shows that the research indicators in the study have been able to measure internal control system variables(X1), government size (X2), information technology (X3), human resources (X4) and transparency of regional financial management (Y).

Reliability Test

Reliability testing is carried out to test the level of reliability of a construction and prove the precision, consistency and accuracy of the instrument in measuring the construction. In this research, the reliability of the instrument must be high. This can be proven through composite reliability and Cronbach alpha values which are greater than 0.7 (Ghozali and Latan, 2015).

Table 3

Reliability Test Results (Outer Model)

	Cronbach's Alpha	Reliabilitas Komposit	Keterangan
Sistem Pengendalian Intern (X1)	0.991	0.992	Reliabel
Sumber Daya Manusia (X4)	0.984	0.987	Reliabel
Teknologi Informasi (X3)	0.993	0.994	Reliabel
Transparansi Pengelolaan Keuangan Daerah (Y)	0.982	0.985	Reliabel
Ukuran Pemerintah (X2)	0.982	0.984	Reliabel

Source: Data processed by researchers

Based on table 3, the composite reliability and Cronbach alpha test results show that the values of all variables can be said to be reliable because they have composite reliability and Cronbach alpha values greater than 0.70. This means that all variables can be said to be reliable, trustworthy and research data can be used to produce the best research.

Inner Model Evaluation

Evaluation of the structural model or inner model aims to predict the relationship between latent variables. The inner model is evaluated by looking at the percentage of variance explained, namely by looking at the R-Square value for the endogenous latent construct using resampling procedures such as bootstrapping to obtain stability of the estimates (Ghozali & Latan, 2015).

Evaluation of the inner model is carried out using the bootstrapping test which produces R-Square, Q-Square coefficient of determination and hypothesis testing. The results of the inner model evaluation are explained as follows.

Testing the structural model in SEM-PLS analysis uses SmartPLS.3.2.9, namely the coefficient of determination (R^2) to measure how far the model is motivated in explaining the variance of the dependent variable. Hair et al (2020) reveal that the coefficient of determination is a measure of the combined motivation of exogenous latent variables predicting endogenous variable constructs, that is, the coefficient represents the amount of variance in the endogenous construct that is explained by all the exogenous constructs related to it. The R^2 value ranges from 0 to 1, with higher levels indicating a higher level of prediction accuracy. As with multiple regression, the adjusted coefficient of determination (Adjusted R^2) is used as a criterion to avoid bias towards complex models. This criterion is modified according to the number of exogenous variable constructs (Hair et al. 2020).

R Square

In assessing the model with PLS, start by looking at the R-Square for each dependent latent variable (Hair et.al., 2020).

Table 4

R-Square Value

Variabel	R Square	Adjusted R Square
Transparansi Pengelolaan Keuangan Daerah (Y)	0.983	0.983

Source: Data processed by researchers

Table 4 shows the results for the R-square value of regional financial management transparency of 98.3 percent. This shows that the influence of the internal control system, government size, information technology and human resources on the transparency of regional financial management is in the strong category.

Evaluation of the inner model is carried out using a bootstrapping test which produces coefficient of determination values R square, Q square, and hypothesis testing. The results of the inner model evaluation are explained as follows.

Q Square

A model is considered to have relevant predictive value if the Q square value is greater than 0 (> 0). The predictive-relevance value is obtained using the following formula. The predictive-relevance value is obtained by the formula:

$Q2 = 1 - (1 - R1^2)$

$Q2 = 1 - (1 - 0.9832)$

$Q2 = 1 - (1 - 0.966)$

$Q2 = 0.966$

The result of the Q square calculation in this research is 0.966 > 0, meaning that the model in this research is considered predictive or relevant.

Hypothesis testing

Testing and evaluating the inner model is carried out to hypothesize the influence of exogenous variables on endogenous variables by comparing the results of the p value of the path coefficient with a significance level of α = 0.05. The test can be said to be very significant if the p value is less than or equal to 0.05 (p value ≤ 0.05) or using the t table value, namely 1.96 with the criteria for rejecting and accepting the hypothesis, namely if the t-statistic > t count then the hypothesis is rejected, and if the t-statistic < t count then the hypothesis is accepted.

The significance of the estimated parameters provides very useful information about the relationship between the research variables. The basis used in testing the hypothesis is the value contained in the output result for inner weight. Table 5 provides the estimated output for testing the structural model regarding direct effects.

Table 5

Hypothesis testing

	Sampel Asli (O)	Rata-rata Sampel (M)	Standar Deviasi (STDEV)	T Statistik (O/STDEV)	P Values
SPI(X1) -> TPKD(Y)	-0.180	-0.171	0.122	1.475	0.140
UP (X2) -> TPKD (Y)	0.300	0.300	0.110	2.735	0.000
TI(X3) ->TPKD (Y)	0.129	0.124	0.093	1.390	0.165
SDM (X4) -> TPKD (Y)	0.745	0.742	0.096	7.738	0.000

Hypothesis Testing of the Effect of Internal Control Systems on Transparency of Regional Financial Management (H1)

Statistical hypothesis:

Ho : The internal control system has no effect on the transparency of regional financial management

Ha : The internal control system influences the transparency of regional financial management

The t-statistical value of the internal control system on the transparency of regional financial management1,475< t-table 1.96 and the P Values are0.140greater than 0.05, so H0 is accepted and Ha is rejected. This means that the internal control system has no significant effect on the transparency of regional financial management (H1 is rejected).

Hypothesis Testing of the Effect of Government Size on Transparency of Regional Financial Management (H2)

Statistical hypothesis:

Ho : Government size does not have a significant effect on the transparency of regional financial management

Ha : Government size has a significant effect on the transparency of regional financial management

The t-statistic value of government measures on the transparency of regional financial management2,735> t-table 1.96 and the P Values are0.00smaller than 0.05, so H0 is rejected and Ha is accepted. This means that government size has a significant effect on the transparency of regional financial management (H2 is accepted).

Hypothesis Testing of the Effect of Information Technology on Transparency of Regional Financial Management (H3)

Statistical hypothesis:

Ho   : Information technology influences the transparency of regional financial management

Ha   : Information technology has no effect on the transparency of regional financial management

The t-statistical value of information technology on the transparency of regional financial management1,390< t-table 1.96 and the P Values are0.165greater than 0.05, so H0 is accepted and Ha is rejected. This means that information technology has no significant effect on the transparency of regional financial management (H1 is rejected).

Hypothesis Testing of the Influence of Human Resources on Transparency of Regional Financial Management (H4)

Statistical hypothesis:

Ho   : Human resources do not have a significant effect on the transparency of regional financial management

Ha   : Human resources have a significant influence on the transparency of regional financial management

The t-statistic value of human resources on the transparency of regional financial management7,738> t-table 1.96 and the P Values are0.00smaller than 0.05, so H0 is rejected and Ha is accepted. This means that human resources have a significant effect on the transparency of regional financial management (H2 is accepted).

Discussion

The Influence of the Internal Control System on the Transparency of Regional Financial Management

Based on the results of research using hypothesis testing, the internal control system variable shows the t-statistic value of the internal control system on the transparency of regional financial management1,475< t-table 1.96 and the P Values are0.140greater than 0.05, so H0 is accepted and Ha is rejected. This means that the internal control system does not have a significant effect on the transparency of regional financial management. Thus hypothesis one is rejected (H1 is rejected).

The research results found that the internal control system had an insignificant influence on the transparency of regional financial management in a negative direction. These conditions indicate that a poor internal control system has an influence in determining the reliability of financial reports held by local governments. The existence of a negative influence indicates that

the smaller number of internal control aspects by government agencies can reduce openness and transparency in the presentation of regional government financial reports.

Research data shows that the Regional Apparatus Organization (OPD) of Kerinci Regency has not been able to fully implement the internal control system in the Kerinci Regency government. Indicators that support internal control system variables are control environment, risk assessment, control activities, information and communication and control monitoring. Where the data shows that1,475< t-table 1.96 and the P Values are0.140greater than 0.05,. This means that the internal control system does not have a significant effect on the transparency of regional financial management.

According to Imelia et al (2021), the objectives of the internal control system are to provide reliable data, increase operational efficiency, encourage existing implementation, protect state property, check the accuracy and reliability of accounting data, increase business efficiency, encourage compliance with policies that have been outlined, and improve the quality of financial reports. Government agencies are required to implement every element of the internal control system to achieve the vision and mission and accountability for government agency activities. The activities of government agencies also need continuous monitoring in order to ensure that the internal control system has been designed and implemented properly. This monitoring is carried out to identify and overcome risks such as waste, embezzlement and misuse. Thus, it is necessary to have internal control to regulate and direct the activities of an agency so that it can provide openness and transparency to the public.

The results of this study are consistentwith research by Imelia et al (2021) The Kerinci Regional Government's internal control system does not have a significant effect on the quality of regional financial reports. It's the same with researchGumelar (2017) The Internal Control System has no effect on the quality of local government financial reports.

Different from the research carried outRatna Purnama Sari et al (2020)Internal Control has a significant positive effect on management transparency and accountability. In line with research conducted by RP Sari et al (2020)Internal controls have a significant impact on transparency and accountability in managing regional financial reports. As well asRatna Purnama Sari et al (2020) Internal Control has a significant positive effect on the transparency and accountability of regional financial management. According toMualifu et al (2019)Internal Control System, Transparency has a positive and significant effect on village government

accountability in managing village fund allocations. According toWardani and Andriani (2020)The internal control system has an influence on the reliability of financial reporting in Klaten Village. According toHerman Darwis (2020)The internal control system influences the quality of financial reports.

The Influence of Government Size on the Transparency of Regional Financial Management

Based on the results of research using hypothesis testing for regional government size variables, it shows the t-statistic value of the internal control system on the transparency of regional financial management2,735> t-table 1.96 and the P Values are0.00smaller than 0.05, so H0 is rejected and Ha is accepted. This means that government size has a significant effect on the transparency of regional financial management (H2 is accepted).

The research results can explain that the size of regional government has a significant influence on the transparency of regional financial management in a positive direction. The larger the size of the regional government, the greater the assets owned by a region, thus encouraging increased transparency in regional financial management in Kerinci Regency because basically the community will carry out strict supervision over the management of regional finances.

The results of this research are in line with research conducted byKrah and Martens (2020) The size of local government has a positive relationship with transparency, revealing that the size of local government is due to 2 or two reasons, namely because large local governments have a lot of pressure from the public to provide information about the resources managed by local governments, and local governments Large ones tend to have highly knowledgeable communities so they demand a lot of information from local governments to be more transparent. In line with researchMasdiantini and Erwanti (2018)Tests found that regional government size and BPK audit opinion had a significant positive effect on the financial performance of district/city governments throughout Bali.Research conductedDeka Anugrah Hadi (2020)The size of local government has a positive effect on internet budgeting reporting. Because the large size of a regional government indicates a large amount of wealth, the public will be more likely to monitor regional government activities because they are worried that the funds managed will be misappropriated. According to Dynda Agustina, Tiara Putri (2023) Government size has a positive and significant influence on the transparency of regional government public information, which means that the size of the number of assets owned by

regional governments encourages regional governments to carry out their obligations by disclosing financial and non-financial information on the official government website. .

In contrast to research conducted by Wardani and Ariani (2022), the size of local government has no effect on the level of disclosure of local government financial reports. The same thing applies to research conducted byEdo Anggara et al (2020)The size of the Regional Government has no effect on the level of disclosure of regional financial reports. Likewise, research conducted by Lestari and Raharjo (2020) shows that government size does not have a significant influence on the level of transparency of regional financial information. According toAdiputra et al (2018) The measured size of local government does not have a significant effect on local government transparency. This is because it has not been utilized optimally to realize financial and non-financial transparency in local government.

Agency theory can be applied to public sector organizations as stated by Lane (2003). Using agency theory, modern democratic countries rely on a series of principal-agent connections to illustrate the principles of public sector economics. One of the most important ways of analyzing public policy involvement is the interaction between principals and agents. Agency theory can underlie this research, where agency theory states that the government (agent) is required to run the government in accordance with the wishes of the community (principal) as the authorizer. The large size of regional government has an impact on regional government in receiving stricter supervision from various parties, including the community. This causes local governments to receive a lot of pressure from the public to publish financial management information as a form of transparency. This statement is related to agency theory, the government (agent) is required to run the government in accordance with the wishes of the community (principal) as the authorizer.

The Influence of Information Technology on the Transparency of Regional Financial Management

Based on the results of research using hypothesis testing for regional information technology variables, it shows the t-statistic value of information technology on the transparency of regional financial management1,390< t-table 1.96 and the P Values are0.165greater than 0.05, so H0 is accepted and Ha is rejected. This means that information technology has no significant effect on the transparency of regional financial management (H1 is rejected).

The results of the researchers' findings show that there is an insignificant negative influence between information technology and the transparency of regional financial management. This research shows that each Kerinci Regency OPD has not fully utilized technology to provide openness and transparency in its financial management to the community. According to Rasyidah (2017)For local governments, it is mandatory to prepare quality financial reports by utilizing information technology through applications implemented based on accrual-based government accounting standards. The quality of financial reports reflects the orderly management of regional government finances, which includes orderly administration and adherence to principles in accordance with the accounting principles and standards used. An indicator that regional government financial reports are of high quality is the provision of an Unqualified Opinion (WTP) given by the Financial Audit Agency (BPK) on regional government financial reports.

Regional governments have an obligation to develop and continue to utilize advances in useful information technology to improve their ability to manage regional finances and be transparent in channeling regional financial management information to the public. The government is also deemed to really need to optimize the use of advances in information technology that is currently sophisticated to make it easier for the public to understand the management of financial reports in the Kerinci Regency OPD without having to go directly to local agencies. With sophisticated technology, it can make it easier for the public to access financial reports per agency and make it easier for the government to convey information through an application so that the Kerinci Regency Regional Apparatus Organization (OPD) is more transparent in financial management to the public.

This research is in line with research conducted by Ni Made Widyanthi (2021)The use of regional financial information technology does not have a positive effect on the financial management of Sleman Regency regional work units. According toWijianti et al (2020)Good use of information technology has not been able to improve employee performance. According toWardani and Andriani (2020)The use of information technology does not affect the reliability of Klaten Regency Village government reporting.

Different from research conducted byEvi Marlinda et al (2021) The use of information technology influences the accountability of village fund managers, meaning that the better the use of technology, such as using applications on computers, the easier it is for village officials to

compile village funds so that there is less chance of the data being manipulated.In line with research by Wijianti et al (2020)Good use of information technology has not been able to improve employee performance. According toHerman Darwis (2020)The use of information technology affects the quality of financial reports, meaning that the more information technology is used, the quality of financial reports will be very good, and vice versa, if less use of information technology will result in the quality of financial reports being less good.

The Influence of Human Resources on the Transparency of Regional Financial Management

Based on the results of research using hypothesis testing for human resource variables, it shows the t-statistic value of human resources on the transparency of regional financial management7,738> t-table 1.96 and the P Values are0.00smaller than 0.05, so H0 is rejected and Ha is accepted. This means that human resources have a significant effect on the transparency of regional financial management (H2 is accepted).

The research results found that human resources (HR) in the Regional Apparatus Organization (OPD) of Kerinci Regency have a significant influence on the transparency of financial management. These conditions show that the existence of good quality financial management human resources in the Kerinci Regency OPD will provide quality financial reports. The large influence of HR on the transparency of OPD financial management will provide space for every employee in OPD to better understand the accounting cycle in society so that it will encourage them not to give a bad name to their profession, so this will encourage OPD to provide high quality financial reports. Good.

Based on the research above, it can be concluded that human resources in the financial sector of OPD Kerinci Regency can be said to be competent and competent in preparing financial reports so as to produce quality financial reports, and quality and even financial reports can achieve qualitative financial characteristics.

In line with research conducted byDeddi Fardian (2020) stated that Human Resources (HR) has a positive influence on the transparency of financial management, normative isomorphism occurs in public organizations. This shows that the regional apparatus in Padang City already has an understanding of accounting in implementing a transparent financial reporting process, has adequate resources, there are quality human resources in the SKPD, training is provided to support the implementation of transparent financial reporting and ongoing

education is provided. within the SKPD internally to deal with environmental changes. In line with research conducted by Irna Triannur Lubis and Yuni Shara (2021) it is stated that Human Resources have a positive influence on the Preparation of Regional Expenditure Budgets in the City of Medan. Likewise, research conducted by Dananjaya Dipta Admaja shows that Human Resources have a positive influence on the creation of Quality Financial Reports in Regional Work Units.

This is different from research conducted by Imelia et al (2021) which states that there is no significant influence between human resource competence and the quality of financial reports. Likewise, research conducted by Rizal Giri Laksoni (2023) stated that Human Resources did not have a positive effect on the quality of local government financial reports.

Agency theory can be applied to public sector organizations as stated by Lane (2003). Using agency theory, modern democratic countries rely on a series of principal-agent connections to illustrate the principles of public sector economics. One of the most important ways of analyzing public policy involvement is the interaction between principals and agents. Agency theory can underlie this research, where agency theory states that the government (agent) is required to run the government in accordance with the wishes of the community (principal) as the authorizer. Human Resources in government (agents) have their own importance, where the better the Human Resources applied to a government agency, the more transparent financial reports will be produced because it will ensure the reliability of financial reports and financial data, facilitating the efficiency and effectiveness of government operations. The government is required to carry out activities in accordance with the wishes of the community (principals) as the authorizer.

CONCLUSION

Conclusion

Based on the results of the analysis of the influence of the Intent Control System, Government Size, Information Technology, Human Resources on the Transparency of Regional Government Financial Management in Kerinci Regency Regional Apparatus Organizations (OPD), it can be concluded as follows:

1. The Internal Control System variable has a negative effect on financial management transparency

2. The government size variable has a positive effect on the transparency of regional financial management.

3. The Information Technology variable has a negative effect on the transparency of regional financial management.

4. The Human Resources variable has a positive effect on Regional Financial Management Transparency.

Suggestion

Starting from the research conclusions, the researcher tried to provide input or considerations in the form of suggestions as follows:

1. The Internal Control System does not have a significant effect on the Transparency of Regional Financial Management so that there is a need for stricter improvements to employee performance and the need for good supervision from superiors.

2. Information technology does not have a significant effect on the transparency of regional financial management, so it is necessary to use sophisticated information technology to make it more transparent to the public and more effective and efficient in working.

Research Limitations

Based on the resultsThis research is not free from limitations and weaknesses. It is hoped that some of these limitations can be overcome in future research, these limitations include:

1. The writing only includes dependent variables and independent variables without any intervening variables or moderating variables from variable X to Variable Y in influencing the transparency of regional financial management.

2. The scope of this research was only carried out in the Kerinci Regency Regional Apparatus Organization. It would be better for future researchers to expand it to the entire Jambi Province.

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