THE EFFECT OF SAP IMPLEMENTATION, THE UTILIZATION OF REGIONAL FINANCIAL ACCOUNTING INFORMATION SYSTEMS AND THE ROLE OF THE INTERNAL AUDIT FUNCTION ON THE QUALITY OF LOCAL GOVERNMENT FINANCIAL REPORTS IN MEDAN CITY

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ARTICLE INFO	ABSTRACT
	The research analysis is to prove whether the application of SAP, the application of the use of regional financial accounting information systems and the role and function of internal audit have a positive and significant impact on the quality of the financial statements of the Medan City Government. The data analysis technique used is associative quantitative method. Primary data collection using a questionnaire study. The sample is 30 respondents. The results showed that the partial application of SAP had a positive and significant effect on the quality of the Medan City Government's financial reports. The application of the use of regional financial accounting information systems partially has a positive and significant effect on the quality of the financial statements of the Medan City Government. The application of the role and function of the internal audit partially has a positive and significant effect on the quality of the financial statements of the Medan City Government. The application of SAP, theapplication of the use of regional financial accounting information systems and the role and function of internal audit simultaneously have a positive and significant effect on the quality of the financial statements of the Medan City Government.

INTRODUCTION

One of the most important functions of corporate governance Governance is to ensure the quality of financial statement information (Cohen, 2018).The first factor that can affect the quality of regional financial reports is the application of Government Accounting Standards (SAP). Implementation of SAP as one of the factors in the quality of financial statement information must also be considered. attention. SAP is a basic guideline in presenting local government financial statements.local government financial statements. SAP is an accounting principle that must be applied in preparing and presenting government financial statements in order to produce quality financial statements. In implementing SAP requires an understanding of the overall accounting standards that accounting standards, including how revenue and expenditure recognition, assets, debts and equity in accrual-based financial reporting and recognition of revenue and expenditure, assets, debts and equity in accrual- based financial reporting and revenue and expenditure recognition in budget execution reporting that is in accordance with expenditures in reporting budget execution in accordance with APBN / APBD (Yahya, 2018).

The second factor that can affect the quality of local government financial reportsis the utilization of regional financial accounting information systems. PP No. 65 of 2010 which is an amendment to PP Nog. 56 of 2005 concerning Regional Financial Information System (SIKD) states that the Regional Financial Information System is a system that documents, analyzes, and analyzes financial information. Regional

Financial Information System is a system that documents, administers, and processes regional financial management data and other related data into information presented to the public. management data and other related data into information that is presented to the public and as decision-making information that is presented to the public and as decision-making material in the context of planning, implementing, and reporting of local government accountability. Utilization of information systems information system can streamline reporting preparation and can optimize report users in decision making. optimize report users in decision making.

The third factor that can affect the quality of financial reports local government is the role and function of internal audit. Internal audit is an auditor who works within an entity/ company whose job is to determine whether the procedures and policies that have been prepared and to find out whether the procedures and policies that have been prepared and set by management have been complied with, determine whether the safeguards for set by management has been adhered to, determining whether the safeguarding of the entity's / organization's the assets of the entity / organization are good or not, determining the effectiveness and efficiency of the organization's activity procedures, and determine the reliability of the information that has been produced by parts of the entity/company. information that has been produced by parts of the entity / organization (Mahmudi, 2018).

METHOD

Research Approach

This research approach is quantitative research. According to Sugiyono (2018: 14), quantitative research is a systematic scientific study of parts and phenomena and their causal relationships parts and phenomena and the causality of their relationships. The purpose of of quantitative research is to develop and use mathematical models, theories models, theories and/or hypotheses related to natural phenomena.

Place and Time of Research
1.　　　Place of Research
This research was conducted at the Medan City Government.
2.　　　Research Time
The research was conducted from April 2022 to September 2022. September 2022.

Population and Research Sample

This research uses accidental sampling method, which is a non-probability sampling technique where subjects are selected because of their accessibility, convenience, proximity to the researcher and by chance. convenient, their proximity to the researcher and by chance. Subjects were selected simply because they were easiest to recruit for the study and the researchers do not consider selecting respondents who represent the entire population. The research criteria were carried out in 10 sub-district governments in Medan City, namely the Finance Section, Treasurer and Sub-district Head.
1.　　　Type of Data
The type of data used in this research is primary data. Primary data is data obtained directly from selected respondents at the research location. respondents at the research location.
2.　　　Data Source
The data source in this research is primary data by distributing questionnaires to the Finance Section, Treasurer and Sub-district Head. distributing questionnaires to the Finance Section, Treasurer and Head of Sub-district Government in Medan City.

Data Collection Technique

To obtain the necessary data in order to analyze to prove temporary answers or hypotheses of the problems raised, the data collection method that the author uses is the following stated, then the data collection methods that the authors do aremethod of distributing questionnaires to the Finance Section, Treasurer and Head of Sub-district Government in Medan City.

Data Analysis Technique
1.　　　Data Quality Test
a.　　　Validity Test
According to Ghozali (2018: 88), the validity test is used to measure whether a questionnaire is valid or not. or not a questionnaire. A questionnaire is declared valid if the questions on the questionnaire are able to reveal something that will be measured for the questionnaire. The validity test requirements for each question> 0.30 then the question item is considered valid. question is considered valid.

b.   Reliability Test (reliability)

According to Ghozali (2018: 89), "reliability test is a tool to measure the reliability of a questionnaire which is an indicator of a variable or construct". a questionnaire which is an indicator of a variable or construct". Testing reliability test aims to determine the consistency of the measurement results of the variables.variables. A questionnaire is said to be reliable if someone's answer to statement is consistent over time. In this study, reliability means that it shows the extent to which the measurement results are relatively consistent if the measurement is carried out several times. measurement results are relatively consistent if the measurement is carried out several times. Test reliability can be done by calculating each Cronbach alpha

item with the help of SPSS for windows. An instrument is said to be reliable if it has a positive alpha value and is greater than 0.6. Where the greater the alpha value, the measuring tool used is more reliable (reliable).

2.   Classical Assumption Test

Before doing regression, there are conditions that must be passed, namely do the classic assumption test. The regression model must be free from classical assumptions, namely, normality, multicollinearity and heteroscedacity tests (Ghozali, 2018: 90).

a)   Normality Test

Normality test aims to test whether in the regression model, confounding or residual variables have a normal distribution. As is known that the t and f tests assume that the residual values follow a normal distribution. distribution. There are two ways to detect whether the residuals are normally distributed or not, namely by graphical analysis and statistical tests (Gartner et al., 2014) not, namely by graph analysis and statistical tests (Ghozali, 2018: 91). Requirements in parametric analysis, the data must be normal.

b)   Multicollinearity Test

The Multicollinearity test aims to test whether the regression model regression model found a correlation between independent variables (independent) (Ghozali, 2018: 91). The provisions for detecting the presence or absence of multicollinearity are if the value of the variance inflation factor (VIF) is not more than 10 and the tolerance value is not less than 0.1, then the model can be used. than 0.1, then the model can be said to be free from multicollinearity. Variance Inflation Factor (VIF) = 1 / Tolerance, if VIF = 0 then 1/10 = 0.1.

c)   Heteroscedasticity Test

Heteroscedasticity test aims to test whether in the regression model regression model there is an inequality of variance from the residuals of one observation to another observation

if the variance of the residuals of one observation to another observation is constant, it is called homoscedasticity and if it is different it is called heteroscedasticity (Ghozali, 2018). The basis of analysis is as follows:

1)   By looking at whether the dots have a certain regular pattern such as wavy, widening then narrowing, if there is eating indicates there is heteroscedasticity.

2)   If there is no clear pattern, and the dots spread above and below the number 0 on the Y axis, it indicates that there is heteroscedasticity. and below the number 0 on the Y axis, it indicates that there is no heteroscedasticity. heterokedastisitas.

3. Multiple Linear Regression

The Multiple Linear Regression Model (Multiple Regression Analysis), aims to test the effect between one variable on another. Multiple linear regression regression involves more than one independent variable. By By using two or more independent variables, the regression equation is expected to be able to better explain the characteristics of the dependent variable. regression equation is expected to be able to better explain the characteristics of the dependent variable and the coefficient of determination is expected to increase. (dependent) variable and the coefficient of determination is expected to be greater and the standard error value is smaller so that the resulting regression equation is more reliable. the standard error value is smaller so that the resulting regression equation is bettergood. The multiple linear regression model is said to be a good model if the model meets the assumptions of data normality and is free from the assumptions of data normality. model meets the assumptions of data normality and is free from classical assumptions, both multicollinearity and heteroscedasticity. The equation model is as follows:

$$Y = \alpha + ß1X1 + ß2X2 + ß3X3 + €$$

where:

Y = Audit Quality (Dependent Variable) α = Constant

ß = Multiple Regression Coefficient (Multiple Regression) X1 = Implementation of SAP (Independent Variable)

X2 = Implementation of regional financial accounting information system utilization (Independent Variable)

X3 = Role and function of internal audit (Independent Variable)

€ = error

a.   Partial Significance Test (t-test)

Partial Significance Test (t-test) is used to determine the effect of independent variable partially on the dependent variable, whether the effect is significant or not (Priyatno the effect is significant or not (Priyatno, 2019: 103). The null hypothesis, or Ho: bi = 0, meaning whether an independent variable is not a significant explanation of the dependent variable. significant explanation of the dependent variable. Alternative hypothesis (Ha) parameter parameter of a variable is not equal to zero, or Ha: bi ≠ 0, meaning that this variable is a significant explanation of the dependent variable. Basic decision making is:

1)   If the significant value> a (0.05), Ho is accepted

2)   If the significant value < a (0.05), Ho is rejected.

b.   Simultaneous Significant Test (F-test)

The significant test (F-test) basically shows whether all independent or free variables included in the model are significant. independent or independent variables included in the model have a joint influence on the dependent or dependent variable (F-test) basically shows whether all independent or independent variables included in the model have a joint influence together on the dependent or bound variable (Priyatno, 2019).

Hypothesis The null hypothesis (Ho) that should be tested is whether all parameters in the model are equal to zero, or: Ho: b1 = b2 = b3 = 0, meaning whether all independent variables are not a significant explanation of the dependent or dependent variable. Independent

Tirtanadi Cab. HM Yamin Medan stated that the leadership and job satisfaction variables have a calculated F value of 3,104 while Ftable is 3,032 then Fcalculates> Ftable. Then Ha is accepted and h0 is rejected so that it can be taken to the ability and that the variables X1 (leadership), X2 (job satisfaction) jointly affect the variable Y (organizational commitment). This means that if the leader is able to show a good leadership attitude in accordance with consumer expectations in order to achieve employee job satisfaction, it can increase commitment employees in working for the company.

The results of this study are in accordance with the opinions of experts, where organizational commitments can grow because individuals have emotional ties to the company which include moral support and accepting the values that exist in the company as well as the determination from within themselves to serve the company. As stated by Luthans (2012, p. 249) states that organizational commitment is: An attitude that reflects employee loyalty to the organization and the continuous process by which members of the organization express their concern for the organization and success and continuous progress. Furthermore, according to Moorhead and Griffin (2013, p. 73) says that: Organizational commitment (organizational commitment) is an attitude that reflects the extent to which an individual knows and is related to his organization. And the last one according to Robbins and Judge in Zelvia (2015) posits that: Organizational committee is a state in which an employee takes the side of a particular organization and his goals and desire to maintain membership in the organization. So based on the opinions of some of these experts, it can be concluded that organizational commitment is a state in which employees take sides and care about a particular organization and its goals, and intend to maintain its membership in that organization. High organizational commitment is very necessary in an organization, because the creation of a high commitment will affect the professional work situation.

This is in accordance with the opinion of employees who state, if the leadership is able to show a stronger performance and attitude, it allows us as subordinates to participate works well. In addition, the facilities and compensation provided by the company are also able to increase the enthusiasm of employees in improving performance. Furthermore, one of the employees also argued that a comfortable working atmosphere and a firm leadership figure can make employees more empathetic at work. As stated by Muis et al. (2018) that employee commitment to the organization is a behavioral dimension that can be used to measure and evaluate the strength of employees in surviving and carrying out their duties and obligations on organizations. Therefore, it is very important for the company to pay attention to the attitude of the leader and the provision of recompense to employees.

Based on the results of the research and analysis that has been carried out, the researchers concluded that partial leadership variables do not affect the organizational commitment of regional drinking water companies (PDAM) Tirtanadi Cab. HM

Yamin Medan because it has a calculated t value of 0.448< ttable2.039 so it can be concluded that the hypothesis Ha ditolak and Ho diterima means that the leadership variable   does not have apartial effect   on commitment organizations. This means variables are not a significant explanation of the dependent variable. The alternative hypothesis (Ha) is that not all parameters simultaneously equal with zero, or Ha: b1 ≠ b2 ≠ b3 ≠ 0, meaning that all independent variables are simultaneously a significant explanation of the dependent variable. simultaneously is a significant explanation of a significant explanation to the dependent variable.

    1)   If the significant value > a (0.05), Ho is accepted
    2)   If the significant value < a (0.05), Ho is rejected
    3.   Test Coefficient of Determination (R²)

Test Coefficient of Determination (R2) is used to determine how the ability of the independent variable to explain the dependent variable. The coefficient determination is located in the summary table and is written adjusted R Square or written Adjusted R Square which is adjusted or written Adjusted R Square, because it is adjusted to the number of Square independent variables used in the study. The R Square value is said to be good if it is above 0.5 because the value of R Square value ranges from 0 to 1.

RESULT AND DISCUSSION
Research Results
1. The Effect of SAP Implementation on the Quality of Financial Statements. The results show that tcount 2.109>ttable 2.055 and significant 0.045<0.05, then Ha is accepted and H0 is rejected, which states the application of SAPhas a partially significant effect on the quality of financial statements. SAP must be applied in the preparation of central and local governments to improve the quality of government financial reports. The quality of governance management of state finances will be better if the application of SAP has been carried out well. well too. This is in line with research (Roni, 2018) which states that the application of SAP has a significant positive effect on the quality of government financial reports. states that the application of SAP has a significant positive effect on variable qualityof local government financial statements. Research (Evicahyani, 2016) also states that the effect of SAP implementation has a positive influence on the quality of financial statements positive effect on the quality of financial statements.

2. The Effect of Utilization of Regional Financial Accounting Information Systems. On the Quality of Financial StatementsThe results show that tcount 2.763>table 2.055 and significant 0.010 <0.05, then Ha is accepted and H0 is rejected, which states that the utilization of the regional financial accounting information system has a significant effect partially. regional financial accounting information system has a partially significant effect on the quality of on the quality of financial statements. Based on PP number 65 of 2010, SIKD is a system that documents, administers and processes regional financial management data and also regional financial management data. processing regional financial management data as well as other related data into information presented to the public and as decision-making material decisions in the context of planning, implementation and reporting accountability by local governments. The process of managing data and transactions and presentation of financial reports will be greatly helped if the utilization of regional financial information systems can be done well. regional financial information system can be done well. This will also impact on the timeliness of local governments in presenting local financial report information. regional financial report information. In line with research conducted (Evicahyani., 2016) that the Regional Financial Accounting System (SAKD) has a positive effect on the quality of regional financial reports. has a positive effect on the quality of regional financial reports. Research (Yuliani, 2020) states that SIAKD affects the quality of regional financial reports.

3. The Effect of the Role and Function of Internal Audit on the Quality of Quality of Financial StatementsThe results show that tcount 6.814>ttable 2.055 and significant 0.000<0.05, then Ha is accepted and H0 is rejected, which states that the role and function of internal audit has a significant partial effect on the quality of financial reports. internal audit partially significant effect on the quality of financial statements.financial report quality. Internal control is a policy and procedure designedto provide reasonable assurance that organizational goals and objectives are achieved. have been achieved. So, the internal control system is an external factor designed to make it easier for employees to achieve organizational goals.Based on research (Evicahyani, 2016) that both directly and indirectly internal control has a positive effect on quality. indirectly, internal control has a positive effect on the quality of the tabanan district financial statements. This is also in line with research Indriasih, 2018) (Afiah, 2017) that internal control has a positive influence on the quality of regional financial reports. positive effect on the quality of regional financial reports.

4. Effect of SAP Implementation, Utilization of Regional Financial Accounting Information Systems Utilization of Regional Financial Accounting Information Systems on the Quality of Financial Statements and

the Role and Function of Internal Audit on the Quality of Financial Statements. And Internal Audit Function on the Quality of Financial StatementsThe results show that the Fcount is 82.482 while the FTabel is 2.98 which can be seen at α = 0.05.

CONCLUSION

Based on the results of the research and discussion in the previous chapter, the following conclusions can be drawnconclusions can be drawn as follows:

1. The application of SAP partially has a positive and significant effect on the quality of financial statements of the Medan City Local Government. quality of financial statements of the Regional Government of Medan City.

2. Implementation of regional financial accounting information system utilization partially has a positive and significant effect on the quality of financial statements of the Regional Government of Medan City financial statements of the Regional Government of Medan City.

3. The implementation of the role and function of internal audit partially has a positive and significant effect on the quality of financial statements of the Medan City Government. Positive and significant effect on the quality of financial statements of the Regional Government of Medan City.

4. Implementation of SAP, implementation of regional financial accounting information system utilization Regional financial accounting information system utilization and the role and function of internal audit simultaneously have a positive and significant effect on the quality of financial reports Medan City.

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