

The Role of the Village Consultative Agency Moderates the Relationship Between the Quality of Village Devices and the Quality of Village Financial Statements in the Village Government of Utan Subdistrict Sumbawa Regency

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Abstract:- This study aims to test the influence of village device quality on the quality of village financial statements with the role of village consultative bodies as moderating variables. This type of research is descriptive quantitative. Respondents in the study consisted of village consultative bodies, headmans, village secretaries, and village treasurers located in the Utan Subdistrict area of Sumbawa Regency. The results showed that the quality of village devices had no effect on the quality of village financial statements. In addition, the results showed that the role of village consultative bodies was not able to moderate the influence of village device quality on the quality of village financial statements.

Keywords:- *Quality of Financial Reports, The Quality of the Village Apparatus, The Role of the Village Consultative Body.*

I. INTRODUCTION

Since the issuance of Law No. 6 of 2014 on villages and followed by the disbursement of village funds that began in 2015, the village has received additional village revenues sourced from the State Budget (APBN) so that the responsibility of the village in village financial management is increasing. With these funds, it is expected that the village government can improve the quality of financial statements made. In accordance with the Regulation of the Minister of Home Affairs No. 20 of 2018 concerning Village Financial Management Guidelines, where with quality financial reports, the performance of the village government will be better.

The existence of financial reports to the village government is a reflection of being able to see whether the village government has been running well or not, so that the village government is obliged to produce quality financial reports (Siregar, 2017). To be able to improve the quality of the reports, there is a need for quality village officials. Quality village officials can be seen from the ability of village officials to carry out the mandate assigned to them with sufficient capacity to achieve effective and efficient village government. High-quality village officials will be able to understand the flow of accounting well and then be able to compile reports

according to applicable financial accounting principles and well-regulated rules from the government and related relationships, which in the end the financial statements are free from misstatement / reliable and reports quality (Andrianto and Rahmawati, 2017).

Then there needs to be a role for the village consultative body as a supervisor of the implementation of policies in village financial management. Where there is a role for the village consultative body as a supervisor of the activities carried out by village officials to create quality village financial reports, it is a systematic effort to establish standard performance in planning, design information systems, compare actual performance with expected standards, detect irregularities, as well as taking action on the necessary improvements to ensure that the resources are owned by the village government (Azlan, *et al.* 2015).

This research is a replication of research conducted by Azla, *et al.* (2015), based on previous research this study used the role of village consultative bodies as moderating variables. This is done karena researchers want to test whether the role of the village consultative body as the village financial supervisor conducted by the village device can affect the quality of village financial statements, then this research was conducted at the Village Government in the district of Utan Sumbawa Regency.

The Village Government in Utan Subdistrict, Sumbawa Regency, became the object of research. This is due to irregularities in the management of village funds,so the government took a stance topermanently dismiss it. One Headman in Utan Subdistrict precisely The Central Village was officially dismissed definitively, according to the Decree of the Regent of Sumbawa. After previously one person headman has been imposed temporary dismissal and asked to complete its obligations (www.pulausumbawanews.net).

Moving on from that, the research aims to test the influence of village device quality on the quality of village financial statements with the role of village consultative bodies as moderating variables.

II. THEORETICAL BASIS AND HYPOTHESIS DEVELOPMENT

A. Relationship of Village Device Quality and Village Financial Report Quality

Financial statements are important financial positions derived from transactions made by entities. The existence of financial statements. This is able to create accountability. This claim to accountability is used to provide information about an entity's finances that is useful to a large number of users in making and evaluating decisions regarding the allocation of resources required by the entity in its activities to achieve its objectives (Sujarweni, 2015). From this, the need for quality financial statements. The existence of quality village financial reports needs to be supported by quality village equipment. It is in line with the results of research conducted by Mulyadiata, et al (2019) that the capacity of human resources affects the quality of financial reports, meaning that the better the quality of village officials, the quality of the village financial reports will be produced. From this, the researchers drew the hypothesis that:

H1: Village Device Quality Affects The Quality of Village Financial Statements

B. Relationship of Village Device Quality and Quality of Village Financial Report with Role of Village Consultative Agency as Moderating

The establishment of a quality village financial report is supported by the presence of quality village devices. Quality village equipment must be supported by the knowledge, skills, attitudes, and behaviors required in the implementation of its duties. The existence of adequate village devices in terms of quantity and quality will increase the content of information value in village financial reporting. then to guarantee the village financial statements made by the village device, there needs to be supervision conducted by the village consultative body as stated in Law No. 6 of 2014 on Villages, in which the village consultative body supervises the performance of headman, one of which is through village financial statements. In line with research conducted by Nazaruddin and Syahril (2017) in which the role of internal audit affects the quality of financial statements. This proves that the village consultative body as an internal audit of the village is able to improve the quality of the village's financial statements. From this, researchers draw hypotheses, namely:

H2: Village Device Quality Affects The Quality of Village Financial Statements With Village Consultative Agency as Moderating

III. RESEARCH METHODS

This type of research is descriptive quantitative research. This research was conducted in villages located in Utan Subdistrict, Sumbawa Regency, namely Bale Berang Village, Jorok Village, Labuhan Bajo Village, Motong Village, Orong Bawa Village, Pukat Village, Sabedo Village, Stowe Brang Village, and Central Village. The population in this study is village devices and village consultative bodies in Utan Subdistrict, Sumbawa Regency. The sampling techniques in

this study use purposive sampling with the criteria of parties directly involved in village financial management, consisting of the head of the village consultative body, headman, village secretary, and village treasurer, which amounted to 36 samples.

The data collection techniques use questionnaires. In this study using three variables, namely independent variables, namely the quality of village devices, dependent variables, namely the quality of financial statements, and moderation variables, namely the role of village consultative bodies. To analyze the data in this study, researchers used a tool that is Statistical Product and Service Solutions (SPSS) application.

IV. RESEARCH RESULTS AND DISCUSSION

A. Results

This research was conducted in villages located in Utan Subdistrict, Sumbawa Regency, namely Bale Berang Village, Jorok Village, Labuhan Bajo Village, Motong Village, Orong Bawa Village, Pukat Village, Sabedo Village, Stowe Brang Village, and Central Village. Questionnaires that return and can be processed amount to 36 questionnaires.

Validity and Reliability Test Results

The results of the validity and reliability test show that the questions in this study are valid and reliable. This is indicated by the signifikasni value < 0.05 . While for reliability istinjuked from the value of Cronbach's Alpha > 0.6 which is 0.893.

The Results of Multiple Regression Modelling of Moderating Variable Analysis

In this study there are 3 variables, namely dependent variables, namely the quality of village financial statements, independent variables are the quality of village devices and moderation variables are the role of village consultative bodies. Based on the results of normality tests, it was obtained that residues are normally distributed. This is indicated by the p-value of 0.05 i.e. 0.156.

Multiple Linear Regression Analysis Results

Below are presented models of multiple linear regressions, namely:

$$Y = -19,598 + 0,967X_1 + 0,144X_2 - 0,029X_1X_2$$

From the equation above, it can be concluded that the constant value of -19,598 means that if the quality of village devices and the role of village consultative bodies are considered constant, then the quality value of village financial statements decreases by 19.598%. The quality coefficient of village devices is as large as 0.967, meaning that if the quality value of village devices increases by 1%, then the quality value of village financial statements increases by 0.967%. The coefficient of role of the village consultative body is 0.144, meaning that if the role value of the village consultative body increases by 1% then the quality value of village devices increases by 0.144%. The value of the moderating variable coefficient is -0.029, meaning that the quality value of village devices moderated by the role of

village consultative bodies increases by 1%, hence the quality of village financial statements decreases to 0.029%.

Determination Test Results

Below are presented the results of the determination test:

Table 1. Determination Test Results

Description	R Square Value
Summary model without using moderation variables	0,443
Summary model using moderation variables	0,669

Source: Processed Data (2021)

Based on the table above, it appears that the R Square value after the BPD Role moderation variable is added up by 0,226 or by 22,6%. This means that the role of BPD strengthens the influence of village device quality on the quality of village financial statements by 66,9% while the remaining 33,1% is influenced by variables that are not used in this study.

Simultaneous Test Results (F Test)

Below are presented the results of simultaneous tests:

Table 2. F Test Results

Description	Value
Significance Level	0,000

Source: Processed Data (2021)

Overall, the variable role of BPD and the quality of village devices significantly influenced the quality of village financial statements as seen from $p\text{-value} < 0,05$.

Individual Parameter Statistics Test Results (t Test)

Below are presented the results of statistical tests of individual parameters:

Table 3. Test Result t

Variable	T-Count Value	Significance Value
Village Device Quality	-1,888	0,068
Quality of Village Devices x Role of Village Consultative Agency	0,374	0,711

Source: Processed Data (2021)

Based on the table above, the first hypothesis is rejected, where the quality of village devices has no effect on the quality of village financial statements, this is because the value of $t\text{-count} < t\text{ table}$ is $-1,888 < 2,0345$ and the significance level is more than 0.05. Then the second hypothesis was rejected, in which the role of the village consultative body was not able to moderate the relationship of the quality of village devices with the quality of village financial statements. This is because the table $t\text{-count} < t\text{ value}$ is $0,374 < 2,0345$ and the significance level is more than 0,05.

B. Discussion

Relationship of Village Device Quality and Village Financial Report Quality

Based on the results of the t test, the quality of village devices has no effect and insignificant on the quality of village financial statements. The results of this study are in line with the results of research conducted by Syarifudin (2014). This can be explained, that the preparation of financial statements must be done carefully, accurately, and in accordance with applicable regulations in order to produce reliable financial report information. Quality village devices have the necessary knowledge, skills, attitudes, and behavior skills when carrying out their duties.

Relationship of Village Device Quality and Quality of Village Financial Report with Role of Village Consultative Agency as Moderating

Based on the results of the t test, the role of the village consultative body is not able to moderate the relationship of village device quality with the quality of village financial statements. The results of this study are in line with the results of research conducted by Fikri, et al (2015). This can be explained because the village consultative body does not work directly in the preparation and presentation of village financial statements. Where the Village Consultative Agency serves to discuss and agree on the draft village regulations with the headman, then accommodate and channel the aspirations of the village community, as well as supervise the performance of the headman.

V. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

Based on the results of the study, it can be concluded that the quality of village devices has no effect and insignificant on the quality of village financial statements. Then the role of the village consultative body is not able to moderate the influence of the quality of village devices on the quality of village financial statements.

B. Limitations

This research was limited to the village government in Utan Subdistrict of Sumbawa Regency and respondents were limited to the chairman of the village consultative body, headman, village secretary, and village treasurer.

C. Advice

For the Village Government in Utan Subdistrict, Sumbawa Regency needs to pay attention to the factors that affect the quality of village financial statements, as well as the capacity of village consultative bodies in guaranteeing village financial statements. For further researchers can expand the research area, and add respondents and add variables in the next study.

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