

The effect of information technology, adherence to accounting rules, and human resources on the reliability of financial statements in Central Lombok District Government

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ABSTRACT

This study aims to determine the effect of information technology, adherence to accounting rules, and human resources to the reliability of financial statements in Central Lombok District Government. This study uses a quantitative approach, with primary data obtained through questionnaires. The respondents are the employees of finance department of Central Lombok District Government. The independent variables used in this study are information technology, adherence to accounting rules, and human resources, while the dependent variable is the reliability of financial statements. The respondents are asked to answer a set of questions listed in a questionnaire. 72 samples are taken from the total population of 256, however only 63, which are considered valid to be analyzed. For the data analysis, it used double linear regression method and processed by using SPSS 18.0. The data analysis results based on t-test show that information technology and human resources have positive significant effect on the reliability of financial statements, but adherence to accounting rules has positive insignificant effect on the reliability of financial statements in Central Lombok District Government. The implication of this study leads to the importance of the optimized preparation of financial statements to achieve the reliable financial statements.

ABSTRAK

Penelitian ini bertujuan untuk mengetahui pengaruh teknologi informasi, kepatuhan terhadap aturan akuntansi, dan sumber daya manusia untuk keandalan laporan keuangan Pemerintah Kabupaten Lombok Tengah. Penelitian ini menggunakan pendekatan kuantitatif, dengan data primer yang diperoleh melalui kuesioner. Responden adalah karyawan dari departemen keuangan dari Pemerintah Kabupaten Lombok Tengah. variabel independen yang digunakan dalam penelitian ini adalah teknologi informasi, kepatuhan terhadap aturan akuntansi, dan sumber daya manusia, sedangkan variabel dependen adalah keandalan laporan keuangan. Para responden diminta untuk menjawab serangkaian pertanyaan yang tercantum dalam kuesioner. 72 sampel yang diambil dari total populasi 256, namun hanya 63 yang dianggap sah untuk dianalisis. Untuk analisis data, digunakan metode regresi linear ganda dan diolah dengan menggunakan SPSS 18.0. Hasil analisis data berdasarkan t-test menunjukkan bahwa teknologi informasi dan sumber daya manusia berpengaruh signifikan positif terhadap keandalan laporan keuangan, tetapi kepatuhan terhadap aturan akuntansi berpengaruh signifikan positif terhadap keandalan laporan keuangan Pemerintah Kabupaten Lombok Tengah. Implikasi dari penelitian ini mengarah pada pentingnya penyusunan dioptimalkan laporan keuangan untuk mencapai laporan keuangan terpercaya.

1. INTRODUCTION

Regional financial statements are prepared for the local government's accountability to the public, as regulated by Government Regulation (PP) No. 6 of 2005. This was amended by Government Regula-

tion (PP) No. 71 of 2010 on Accrual-based Local Government Financial Statements. In addition to Government Regulation (PP) No. 71 of 2010, the Local Government Financial Statements also refer to Regulation No. 59 of 2007 on Local Government

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Table 1
BPK's opinion on the Financial Statement of Central Lombok District 2012-2014

No	Year	Opinion
1.	2012	Unqualified opinion with explanatory paragraph (WTP DPP)
2.	2013	Unqualified opinion (WTP)
3.	2014	Unqualified Opinion (WTP)

Source: mataram.bpk.go.id

Financial Management Guidelines as amended by Regulation No. 21 of 2011, Financial Ministry Decree No. 238/ PMK05/ 2011 on General Guidelines of Government Accounting System and the Regulation of Ministry of Finance No. 64 of 2013 on the application of Accrual-based Government Accounting Standards on local government. In addition to the regulations from central government, the financial statement also refers to local laws that are derived from central government regulations.

According to the Government Accounting Standards Committee (2005: KK-10), in order for a financial statement provides benefits for the users, the financial statement must have qualified value of information that is useful in decision making. The quality of financial statements is reflected from the qualitative characteristics.

The reliability of financial statement, as one of the characteristics of qualified financial statement, is an element that must be met. The reliability referred to in the financial statement is that the information is free from the misleading notion and material errors. Financial statement presents the facts honestly and verifiably. The information may be relevant but if the presentation is not reliable, the use of such information could be potentially misleading and detrimental to the users of the financial statement. Reliable information should meet the following characteristics:

1. Honesty. The information presented describes any transactions and other events honestly, reasonably, and expectably.
2. Verifiability. The information presented can be tested. Although the test is done more than once by different parties, the results still indicate a conclusion that is not too much different.
3. Neutrality. The information is directed at the general needs and not in favor of the needs of a particular party.

Central Lombok is a district in West Nusa Tenggara province that was considered having an unqualified opinion with explanatory paragraph (WTP DPP) in 2012 and obtained unqualified opinion in 2013 and 2014 from the Audit Board of the Republic of Indonesia (herein after referred to as BPK and see Table 1).

Based on the investigation by BPK RI on the Financial Statements of Central Lombok District Government 2014, despite obtaining Unqualified Opinion, BPK still found the noncompliance with the accounting rules, such as: 1). Work Overpayments on seven regional work unit (herein after referred to as SKPD) amounted to IDR 94,660,427.48; 2). Overpayment of official travel expenditures on four SKPD was IDR 178,264,406; 3). Work item payment calculation errors for the lame price item unit in seven work packages worth IDR 268,301,902.25.

Although some areas obtaining an unqualified opinion (WTP) for the 2014 financial statements increased, BPK still found a number of problems. Head of BPK of West Java Representative, Cornell Prawiradiningrat said that in an examination of LKPD Budget Year 2014 was still found some significant problems and tended to recur. The findings were in the form of problems that affected or did not affect the presentation of financial statements. (<http://bandung.bisnis.com>).

Central Lombok District Government through the Secretariat regional finance department regularly holds trainings of financial management including ways of reporting, as well as socialization and unification of perception on the accounting rules. Preparing the competent human resources is a step taken by Central Lombok district government in maintaining Unqualified Opinion, as well as efforts to gain the title as the Good Administration Area of The Ministry of State Apparatus Empowerment and Bureaucracy Reform (herein after referred to as Kemenpan and RB) (www.lombokkita.com). The weaknesses occurring in human resources in Central Lombok include: 1) different educational backgrounds; 2) different experience or years of service.

Several previous studies that create the gap are as follows: The study of the effect of information technology on financial statements conducted by Winidyaningrum (2009) and Nurillah (2011) with the results that information technology has significant positive effect on financial statements. Meanwhile, the research conducted by Arfianti (2011) shows the result that information technology has no effect on financial statements.

The researchers who studied the effect of adherence to accounting rules on financial statements are Azhar (2007) and Nuranto (2013) with the results that adherence to accounting rules has significant effect on financial performance. Meanwhile, the research conducted by Fikri, et al (2015) indicates that adherence to accounting rules has no effect on financial statements. The researchers who studied the effect of human resources on financial statements are Nurillah (2011) and Rahmawati (2014) with the results that human resources have a significant positive effect on financial statement, while the research results conducted by Sukmaningrum (2011) and Zuliarti (2012) show that human resources have no effect on financial statements.

This study is a modification of the research conducted by Dwi Yusufadi (2013) who studied the effect of human resource capacity, utilization of information technology, and organizational commitment on quality financial reporting information of Bandung City Government, by replacing the variable of organizational commitment and the variable of adherence to accounting rules. Adherence to accounting rules is seen as the level of conformity of the procedures in managing organizational assets, the implementation of accounting procedures, and the presentation of financial statements along with the supporting evidence and rules established by BPK or SAP (PP No. 24/2005).

Based on the above observation, it is necessary to review some theories and researches related to the study. The research using goal setting theory introduced by (Locke 1968) states that each organization should set a goal which is formulated into plans and measures in preparing the financial statements. The plans and measures are done so that each organization is able to improve its performance in accordance with the vision and mission of the organization itself to achieve the reliability of financial statements. Sufficient information technology and clear accounting rules encourage the employees (HR) to achieve performance targets in accordance with the objectives to be achieved by the organization so that it will have implications for the achievement of the reliability of financial statements.

This research was motivated by several motives among others: (1). The research related to the effect of information technology, adherence to accounting rules and human resources on the reliability of financial statements of Central Lombok District Government, in which the authors think that it has never been done before; (2). Local government officials in SKPD as the respondents in this research

are the direct subject of the financial managers as the planners, the implementers, and those who are responsible for the preparation of financial statements, so that the respondents have a direct bearing on the reliability of the financial statements to be studied.

Based on the above phenomenon, the researchers tried to formulate the research question as follows: Do information technology, adherence to accounting rules and human resources have an effect on the reliability of financial statements of Central Lombok District Government? The purpose of this study is to analyze the influence of information technology, adherence to accounting rules and human resources on the reliability of financial statements of Central Lombok District Government.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS

Goal Setting Theory

Goal setting theory, originally proposed by Locke (1968), shows the relationship between the objectives and the performance of one's duties. The theory explains that a person's behavior is determined by two cognitions: content (values) and intentions (purposes). Everyone has decided the goals for his behavior in the future and these goals will affect the behavior actually happened. The behavior will be governed by his ideas (thought) and intentions so as to affect the actions and consequences of performance. Generally, managers receive goal setting as a very meaningful thing to improve and maintain performance (Badriah et al. 2009).

Latham and Yukl (1975) state that a goal is something a person wants to do consciously. Latham and Locke (1979) argue that the determination of the goal is something simple, but this simplicity cannot be interpreted ordinarily, but it must be addressed with careful planning. By setting specific goal, someone will be able to compare what has been done with the goal itself and then determines where it stands at the time. Locke also argues that goal setting has four kinds of motivational mechanisms namely: a) the goals of directing the attention; b) the goals of setting the efforts; c) the goals of improving persistency; and d) the goals of supporting strategies and plans of action. The key steps in setting the goals are; a) determining whether people, organizations, and technology are suitable for the goal setting, b) preparing employees through increased interaction between individuals, communication, training, and action

plans for goal setting, c) stressing the goal characteristics that must be understood by a manager and subordinate.

Information Technology

Information technology is a technology used to process the data, including processing, obtaining, compiling, storing and manipulating in different ways to produce quality information. Gondodiyoto (2007: 201) states that the technology used today is not only computers but also the combination of a variety of equipment: computers, communication devices, telex, and facsimile, and robot, audio, video and even mechanical equipment.

According to Gondodiyoto (2007: 201), the application of information technology is the use of computer and various other technologies in support of the task of leadership/organization with the components of: the availability of the machine (hardware and software), network, the readiness of the application (procedure/application), the personnel (brainware/people ware), data base and the user and the environment.

Adherence to Accounting Rules

Rule, according to Indonesian dictionary, is a provision that binds a group of society which is used as appropriate and acceptable guide, order, and control of the behavior, a rule which is used as a yardstick to judge or compare anything. According to Rachmawati (2012), rule is an act or acts that should be run. Accounting rule is made in such away as the basis for preparing financial statements. In accounting standards there are rules that must be used in the measurement and presentation of financial statements which are based on the regulations issued by IAI. The financial information provided is much-needed by investors and management so it should be reliable. Maintaining reliability requires regulations or rules to the actions that could hurt the company or organization.

There are two parties interested in the results of the financial statements: the users (external parties) and the leadership (as the asset management and publisher of the financial reports). From external parties, the users of financial statements consist of: investors, employees, lenders, suppliers, creditors, customers, governments, and society. They have different needs of information to be met (Thoyibatun 2009).

In order to produce high quality information, the presentation of financial statements must be done based on the procedures and principles and work rules included in accounting principles. Ac-

counting principles are a set of rules that guide the acts to implement accounting principles in the company (Thoyibatun 2009). The application of principles of professional ethics of Indonesian Institute of Accountants includes: 1) responsibility of the application, 2) public interest, 3) integrity, 4) objectivity, 5) prudence, 6) confidentiality, 7) consistency, and 8) the technical standards (Thoyibatun 2009).

Human Resources

Widodo (2001), in Sukmaningrum and Pujiharto (2012) describes the competence of human resources is the human resource capacity to perform the tasks and responsibilities assigned to him by the provision of education, training, and sufficient experience. Talib (2008), using the level of education, employment, employee age, occupation, the quantity of personnel and technical expertise in the field to measure the human resource capacity. For the procurement of effective and competent human resources is not easy. Skilled human resources do not guarantee good productivity, if they have low working discipline and have no desire for high achievement. Unskilled human resources may result in the lateness. According to Warisno (2009), the failure of human resources of the Local Government in understanding and applying the accounting logic would have an impact on the failure of the financial statements made, in which the financial statements do not correspond to the standards set by the government.

Reliability of Financial Statements

Reliability is the ability of information to provide confidence that the information is correct or valid. The information in financial statements must be reliable, that is, free from the misleading notion and material errors. The information should present any facts honestly and verifiably. The Information may be relevant, but if the nature or presentation is not reliable, the use of such information could potentially cause misleading, Winidyaningrum (2009). The reliable information should meet these characteristics:

1. Honesty
2. Verifiability
3. Neutrality

The conceptual framework in Figure 1 is based on the goal setting theory and previous studies conducted by Winidyaningrum (2009), Nurillah (2011), Arfianti (2011) using the variable of IT, Azhar (2007), Nuranto (2013), Fikri et al (2015) using the variable of adherence to accounting rules, Nu-

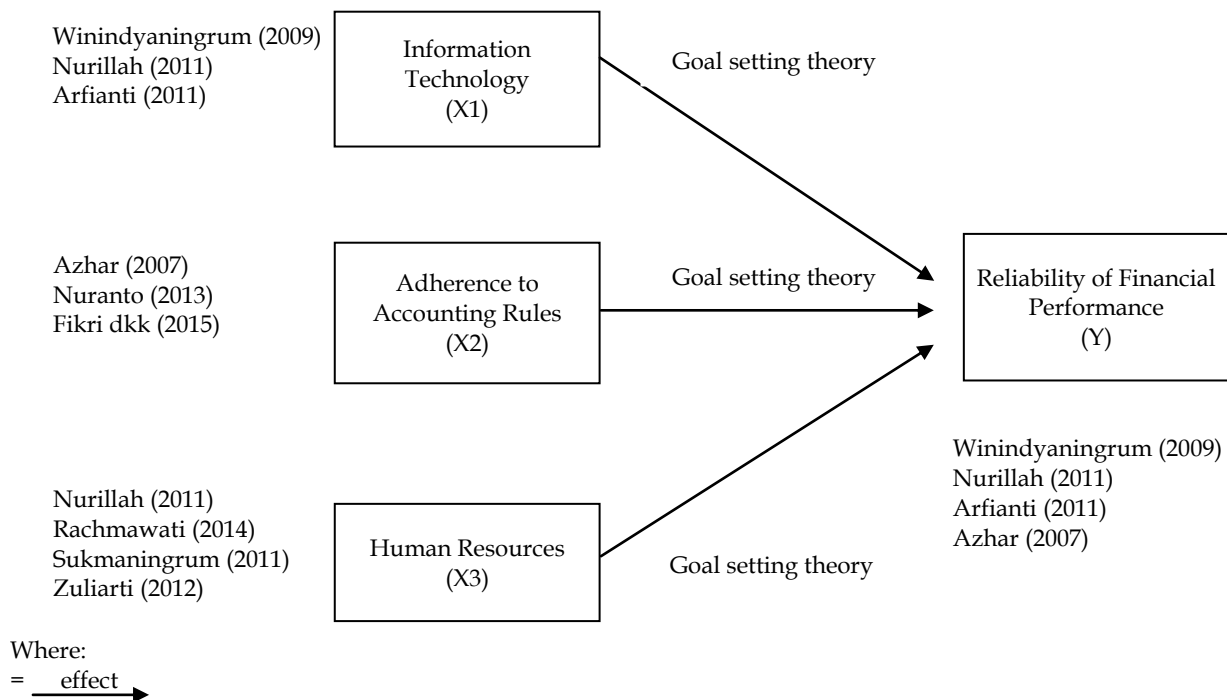


Figure 1
Conceptual Framework

rillah (2011), Rachmawati (2014), Sukmaningrum (2011), Zuliarti (2012) using the variable of HR, show that the variables have an effect on the reliability of financial statements.

3. RESEARCH METHOD

Type of Research

The type of research used is associative, that is the research which finds the relationship between one variable and another variable. There are three relationships between variables: symmetrical, causal and interactive. Causal relationship is a relationship that has both cause and effect (Sugiyono 2015: 59). So, in this research, there are three independent variables and one dependent variable.

Location and Time of Research

This research was carried out in Central Lombok district government with the civil servants who manage the finance in the regional work units (SKPD) in Central Lombok district as the research subjects. The research was done for 1 (one) month from the mid-January to mid February 2016.

Population and Research Samples

Population

The population in this research is 256, consisting of Echelon IV as the Officials of Financial Administration (herein after referred to as PPK) in 39 Regional Work Units (SKPD), Subsection Head of Financial

Administration of Regional Secretariat of Central Lombok district government, and Financial Management Staff consisting of Treasurer of Expenditure of SKPD, Assistant Treasurer of Expenditure, Assistant Treasurer and data entry clerks in charge of the process of financial management and financial reporting of SKPD.

Research Samples

In this study, the sampling technique is conducted using Stratified Proportional Random Sampling. The number of samples in this study is determined using Slovin method.

The number of samples to be taken is as many as 72 people from 39 SKPD in Central Lombok district government. The number is based on the sample adequacy criteria by Slovin:

$$n = \frac{N}{1+N(e)^2} \quad (1)$$

$$n = \frac{256}{1+256(0.1)^2}$$

$$n = 71.91 \text{ rounded to } 72.$$

Where:

n = the number of samples

N = the number of population

e = degree of error (10%)

Research Variables

Classification of Variables

The independent variables in this study are information technology (X1), adherence to accounting

rules (X2), and human resources (X3). The dependent variable is the reliability of financial statements of Central Lombok district government (Y).

Operational Definition of Variables

Measurement of independent and dependent variables is using a Likert scale of 5 (five) points. Likert scale is used to measure an individual or a group's attitude and opinion on social phenomenon (Sugiyono 2015; 93). Operationally, the variables in this study can be described as follows:

1. Information Technology (X1). Information technology is a technology which is used to process the data, including processing, obtaining, compiling, storing and manipulating in different ways to produce reliable information, Sutabri (2014). This instrument is measured by indicators: (1) devices, (2) financial data management, and (3) treatment. The instrument used is a modification of the research conducted by Indriasari et al (2008) with 6 questions that are measured by assessing the respondents' answers to the questionnaire using a Likert scale (five points).
2. Adherence to Accounting Rules (X2). Adherence to accounting rules is seen as the level of conformity of organization's asset management procedures, the implementation of accounting procedures, and the presentation of financial statements along with the supporting evidence based on the rules established by BPK or SAP. This instrument uses indicators (1) the responsibility of the application, (2) the interests of the public, (3) integrity, (4) objectivity, (5) prudence, (6) confidentiality, (7) consistency, and (8) Technical standards. The research instrument used is a modification of the research conducted by Thooyibatun (2009) with 8 questions that are measured by assessing the respondents' answers using a Likert scale (five points).
3. Human Resource (X3). HR refers to the human resource capacity to perform the tasks and responsibilities assigned to him by the provision of education, training, and sufficient experience. Human Resource variable is measured using instruments made by Xu, et al. (2003) and developed by Kristyanto (2012) with the following indicators: (1) an understanding of regulations and standards, (2) interaction with the system, (3) control of Human Resources, and (4) education and training. The measurement is conducted by asking 4 questions in the questionnaire using Likert scale (five points).
4. Reliability of financial statements (Y). Financial

statement is an entity's information records in an accounting period that can be used to describe the performance of the entity. The reliability of the financial statements is measured using eight indicators measured by an instrument adopted from the research conducted by Winidyaningrum (2009). These statements are measured using the indicators (1) honesty, (2) verifiability, (3) neutrality. This instrument consists of 3 questions measured using a Likert scale (five points).

Data Collection Procedures

In this study, the data were collected using questionnaire. According to Sugiyono (2015; 142), questionnaire is a technique to collect data is done by giving a set of questions or written statements to the respondent to answer.

4. DATA ANALYSIS AND DISCUSSION

General Description of Research Subject

This study was conducted by distributing questionnaires to officials of Echelon IV as many as 11 samples and Financial Management staff as many as 61 samples. The 72 questionnaires are distributed to respondents randomly. The distribution and collection of the questionnaires are conducted by the researchers themselves and the process is limited for 7 days. Of the 72 questionnaires distributed, only 65 questionnaires are returned and two questionnaires are declared defects, so there are only 63 questionnaires used in this study.

Validity and Reliability Test Results

Validity and reliability tests of the 63 data need to be conducted before continuing to the stage of multiple linear regression analysis. Validity test is measured using correlation values between each question item and total question items in each variable. The instrument of the question is said valid if the correlation value obtained > 0.3 . Reliability test of the instrument is conducted using Cronbach Alpha method, and the result obtained is compared with the critical point. If the value of Cronbach Alpha \geq critical point of 0.6, the instrument of the variable used is said "reliable".

Validity Test Results

The validity test for all indicators of each variable is done using SPSS 18.0 software that can be seen in the annex. Based on the validity test results, it can be seen that all indicators have the correlation values more than the critical value of 0.3, so it can be said "valid". Thus all of the indicators are used in

subsequent analysis.

Reliability Test Results

From the reliability test conducted shows that each variable used in this study has a Cronbach Alpha value as follows: Information Technology is 0.744, Adherence to Accounting Rules is 0.775, Human Resource is 0.782, and Reliability of Financial Statements is 0.733. Therefore, the Cronbach Alpha value obtained by all variables is greater than the critical value of 0.6, it can be said that the instrument used in this study is "reliable".

Results of Classic Assumption Test Normality Assumption

From the test results, the normal P-P of regression standardized residuals can be seen that most of the data spread around the diagonal line and the spread is in the direction of the diagonal line graph. Therefore it can be said that the data used in this study have fulfilled the normality assumption.

Non-Heteroscedasticity Assumption

From the test results, Scatterplot chart between residual and predicted values of regression model can be seen that the data shown in the chart spread randomly or not to form a pattern. This indicates that the data used in this study are non-heteroskedasticity or the data are relatively homogeneous.

Non-Multicollinearity Assumption

In this study, non-multicollinearity test was performed using SPSS 18.0. From the results obtained it is known that each independent variable has VIF value as follows: Information Technology is 1.336, Adherence to Accounting Rules is 1.991, and Human Resource is 1.668. Therefore, the VIF value obtained is less than critical value of 10. So, it can be said that Data meet the non-multicollinearity assumption.

Hypotheses Test Results

Partial Test

Partial test is used to determine the significant value of the effect of the independent variables on the dependent variable (see Table 2 in Appendices). The test results obtained are as follows:

The Effect of Information Technology (X1) on the Reliability of Financial Statement (Y) (H1)

The first hypothesis (H_1) proposed:

H_0 : Information technology has insignificant positive effect on the Reliability of Financial Statements

H_1 : Information Technology has significant positive effect on the Reliability of Financial Statements

If sig. (Significance) value \leq alpha (0.05), then H_0 is rejected. Otherwise, if sig. (Significance) value $>$ alpha (0.05), then H_0 is accepted. From the analysis results in the table above, it can be seen that IT variable has a significance value of 0.029. Therefore, the value is less than the alpha of 5% (0.05), so in this study, H_0 is rejected. Thus H_1 is proven that information technology has significant positive effect on the reliability of financial statements.

The Effect of Adherence to Accounting Rules (X2) on the Reliability of Financial Statements (Y) (H2)

The second hypothesis (H_2) proposed:

H_0 : Adherence to Accounting Rules has insignificant positive effect on the Reliability of Financial Statements.

H_1 : Adherence to Accounting Rules has significant positive effect on the Reliability of Financial Statements.

If sig. (Significance) value \leq alpha (0.05), H_0 is rejected. Otherwise, if sig. (Significance) value $>$ alpha (0.05), H_0 is accepted. From the analysis results in the table above, it can be seen that the variable of adherence to accounting rules has a significant value of 0.970. Therefore, the value is more than the alpha 5% (0.05), so this study fails to reject H_0 . Thus, H_0 is proven that adherence to Accounting Rules has no significant positive effect on the Reliability of Financial Statements.

The Effect Human Resources (X3) on the Reliability of Financial Statements (Y) (H3)

The third hypothesis (H_3) proposed:

H_0 : Human Resource has insignificant positive effect on the Reliability of Financial Performance.

H_1 : Human Resource has significant positive effect on the Reliability of Financial Statement.

If sig. (Significance) value \leq alpha (0.05), then H_0 is rejected. Otherwise, if sig. (Significance) value $>$ alpha (0.05), H_0 is accepted. From the analysis results in the table above, it can be seen that the value of HR variable is 0.001. Therefore, the value is less than the alpha 5% (0.05), so in this study H_0 is rejected. Thus the hypothesis H_1 is proven. This means that Human Resources have significant positive effect on the Reliability of Financial Statements.

Model Feasibility Test (Goodness of Fit)/F Test

Model feasibility test was done using F test where simultaneous hypothesis is used to determine the simultaneous effect of independent variables (Information Technology, Adherence to Accounting Rules, and Human Resources) on dependent variable (Reliability of Financial Statements). The hypothesis used in this study is:

H_0 : Information Technology, Adherence to Accounting

Rules, and Human Resources have no effect on the Reliability of Financial Statements

H₁ : Information Technology, Adherence to Accounting Rules, and Human Resources have positive effect on the Reliability of Financial Statements

If sig. (Significance) value \leq alpha (0.05), then H₀ is rejected. Otherwise, if sig. (Significance) value $>$ alpha (0.05), H₀ is accepted. From the analysis results, it can be seen that the significance value is 0.000. Since the value is less than alpha 5% (0.05), so H₀ is rejected. Thus the hypothesis H₁ is proven. This means that the variable of Information Technology, Accounting Rules Obedience, and Human Resources simultaneously have a positive influence on the Reliability of Financial Statements.

From the test results, it is obtained determination coefficient (R²) value of 0.372 or 37.2% and the adjusted determination coefficient (adjusted R²) value of 0.34%. This means that 34 per cent of diversity of the Reliability of Financial Statements as the dependent variable can be explained by the independent variables used (Information Technology, Adherence to Accounting Rules, and Human Resources). The remaining 66 percent is explained by other variables such as internal control system, organizational commitment, the role of internal audit, motivation, participation of management, job satisfaction and other variables that are not included in the regression models built in this study. Studies on the financial statements with equal R², among others, are the studies conducted by Yusufandi (2013) with R² = 37.11%, Nurillah (2011) with R² = 41.82%, Warisno (2008) with R² = 27.32%

Discussion

The Effect of Information Technology on the Reliability of Financial Statements

The results of this study indicate that information technology has significant positive effect on the reliability of financial statements. This means that the better the technology used in managing the regional finance including its reporting system, the more reliable the resulting financial statements. With the enactment of the reliability of financial statements as a goal in accordance with goal setting theory, it is necessary to conduct some steps, such as providing appropriate technology that encourages people to accomplish the goals that have been defined.

Central Lombok district government, in its financial management, has been using an application, called the Regional Financial Management Information System (SIPKD), recommended by the Ministry of Finance. Starting from 2013 this appli-

cation has been integrated with a local internet network of the District, which means that the financial management activities, including reporting, are done online. In order to maximize the results of the financial management, Central Lombok district government has also been working closely with BPK in the case of an audit of financial statements, in which the BPK can access the SIPKD application through their own servers so that if there is a mistake in the financial management, it can be detected early for immediate improvement, as well facilitate the BPK auditor to perform the audit of financial statements.

There are three steps in the implementation of the preparation of financial statements using the application: 1) input, 2) processes, and 3) output, which mean that the most important step in this activity is at the time of inputting data into the system. Officers of data input (data entry) in Central Lombok regency mostly have no educational background in IT, but the officers of data-entry are provided with sufficient training and mentoring by the managers of information technology (admin) in the event of obstacles in their work. These test results are also consistent with the results of the research conducted by Winidyaningrum (2009) and Nurillah (2011) that information technology has significant positive effect on the reliability of financial statements.

The Effect of Adherence to Accounting Rules on the Reliability of Financial Statements

The results of this study indicate that the variable of adherence to accounting rules has insignificant positive effect on the variable of reliability of financial statements. This is caused by many activities outside the budget that could potentially lead to fraud and budget irregularities. Fraud or irregularities could occur in the form of the number of transactions that are not recorded and authorized by the competent authorities resulting the reports cannot be accounted for.

According to Harun (2009: 63), it is unfortunate that the swift transactions are not recorded in accordance with the generally accepted accounting process. It will result in accountability reports prepared by the local government certainly cannot describe the reasonable financial position, rights and obligations.

The goal setting indicates difficult and specific targets that cause high levels of performance (Robbins 2006). Reliability of financial statements is a difficult and specific objective where the report must meet specific accounting rules. The results of

this study cannot prove that the accounting rules could encourage financial managers to achieve the reliability of financial statements. This means that the existing accounting rules cannot be utilized effectively and efficiently so as not to affect the reliability of financial statements.

Other factors that affect the weak effect of adherence to accounting rules on the reliability of the financial statements of Central Lombok district government are: 1) the respondents' understanding to the existing rules is still weak. This is due to being lack of socialization as well as awareness of the existing accounting rules, 2) changes in the accounting rules from cash-based accounting (Government Regulation No. 6 of 2005) to accrual-based accounting (Government Regulation No. 71 of 2010), 3) the use of the application of Regional Financial Management Information System (SIPKD) that has adopted all the accounting rules. By doing so, without having to understand the accounting rules, they can present the financial statements and 4) the discovery of nine cases of non-compliance by the BPK related to compliance to laws and regulations. This indicates that the respondents still do not understand the accounting rules although basically they have a strong adherence to the rules, thus resulting in the lack of reliability in the preparation of financial statements.

This study does not support the hypothesis proposed earlier. The results of this study also do not support the results of previous studies on the effect of adherence to accounting rules on the reliability of financial statements, such as by Azhar (2007) and Nuranto (2013), in which the results show that adherence to accounting rules significantly influence the reliability of the financial statements, but the results of this study are consistent with the research conducted by Fikri et al (2015) where the research results demonstrate the application of government accounting standards does not affect the quality of government financial reports.

The Effect of Human Resources on the Reliability of Financial Statements

The results of this study indicate that human resources have significant positive effect on the reliability of financial statements. This means that the more competent the human resources used in managing the local finance, the more reliable the financial statements produced.

The findings of this study are consistent with goal setting theory which states that the appropriate human resources and adequate

technological support will accelerate the achievement of the reliability of financial statements (goal) that has been defined. The effort of Central Lombok district government in improving the capabilities of employees in the field of financial management is done by: 1) providing education and training in financial management, 2) providing monthly meetings to unit perception and to solve the problem related to financial management and 3) providing assistance by the Finance Division of Regional Secretariat in terms of any problems in the management in SKPD.

The results are consistent with the research conducted by Nurillah (2011) and Rahmawati (2014) that human resources have a significant positive effect on the financial statements.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

Based on the results of hypothesis testing, it can be concluded as the following:

1. Information technology has significant and positive effect on the reliability of financial statements in Central Lombok district government
2. Adherence to accounting rules has insignificant and positive effect on the reliability of financial statements in Central Lombok district government.
3. Human resources have significant and positive effect on the reliability of financial statements in Central Lombok district government.
4. Information technology, adherence to accounting rules and human resources simultaneously have an effect on the reliability of financial statements in Central Lombok district government at 34.00%, while the remaining 66.00% is influenced by other variables that are not included in this study.

The results of this study have several implications in theories, practices, and policies as follows:

1. In theory, the results of this study can add, enrich and become material for further study with regard to the analysis of the influence of information technology, adherence to accounting rules and human resources on the reliability of financial statements as the goal to be achieved. Sufficient information technology and clear accounting rules encourage employees (HR) to achieve performance targets in accordance with the objectives to be achieved by the organization so that it will have implications for the achievement of the reliability of financial statements.
2. In practice, the results of this study can provide input to the local governments, especially the

government of Central Lombok district to further optimize the management and utilization of existing resources in preparing its financial statements. Provision of sufficient facilities and appropriate management of technology, socialization and training in the context of understanding of accounting rules to employees, and increased employee competence will support the preparation of financial statements for the future.

3. In policy, the results of this study can be a consideration for policy makers, especially the government of Central Lombok district. Policy in the management of information technology can be done starting from the planning by creating a blueprint on information technology (IT) to be used, the procurement for appropriate IT instruments in every SKPD, the sufficient cost of IT maintenance and the renewal of the instruments including application systems. Increasing human resource capacity can be done by providing education, training and mentoring. The steps could help the preparation of reliable financial statements. Determination of good policy is also expected to reduce BPK's audit findings on the financial statements.

Some suggestions for further research and society are as follows:

1. Further research may expand the locations and research subjects, as in the provinces, ministries/agencies and even private sector
2. Further research can add or use other variables, such as the variables of organizational commitment, internal control systems, internal audit role, work motivation, management participation and other variables related to the government's financial statements.
3. Further research can improve the dimensions, indicators and instruments that already have a high validity and reliability in accordance with the assessment development of the performance of the government agencies

The researchers realize that there are still some limitations in this study that may affect the study results. The limitations are:

1. The scope of this study is limited to the regional work units (SKPD) of Central Lombok district government, thus allowing a difference in the research results and conclusions if the research is done in other areas or ministries/agencies
2. Independent variables in this study are limited to the variables of information technology, adherence to accounting rules and human resources only.

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APPENDICES

Table 2
Multiple Linear Regression Model

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	1.233	.533	
TI	.263	.117	.268
KAA	.006	.152	.006
SDM	.425	.122	.463

Source: Data output SPSS (2016).

Table 3
Partial Hypothesis Test Results

Model	T	Sig.
1 (Constant)	1.314	.024
Information Technology	2.244	.029
Adherence to Accounting Rules	.038	.970
Human Resources	3.475	.001

a. Dependent Variable: KLIK

Source: Data output SPSS (2016).

Table 4
F Test Results

ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	1.868	3	.623	11.638	.000a
Residual	3.157	59	.054		
Total	5.025	62			

a. Predictors: (Constant), x3, x1, x2

b. Dependent Variable: y

Table 5
Determination Coefficient Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.610	.372	.340	.23132