

**EFFECT OF REGIONAL FINANCIAL ACCOUNTING SYSTEM,
INTERNAL CONTROL SYSTEMS AND REGIONAL FINANCIAL
AUDIT ON FINANCIAL ACCOUNTABILITY OF LOCAL
GOVERNMENT**

Eka Suprihastini
Mataram University
ekahastini@gmail.com

Akram
Mataram University
mm_akram2004@yahoo.co.id

Budi Santoso
Mataram University
hebato@yahoo.com

Abstract

Demands of accountability requires governments to improve the quality of financial management. A fine financial management requires a good of mechanisms and work procedures including the implementation of the system: accounting and internal control systems and internal financial audit mechanisms. This study aimed to examine the effect of the regional financial accounting systems, internal control systems and regional financial audit on financial accountability of local government. The study was conducted in the entire scope of the local work unit in government of East Lombok regency. This study used a survey method in which the primary data obtained by questionnaire. The study population involved the whole apparatus of financial managers in the whole work unit area of East Lombok regency government. The sampling technique used purposive sampling. These samples included 102 respondents consisting of officials of the financial administration and treasurer. Estimation models of research use approach Partial Least Squares (PLS). The results showed the regional financial accounting systems, internal control systems and regional financial audit positive effect on the financial accountability of the local government. Theoretically, the results of this study may contribute to the development of science in the public sector accounting and provide a reference for future studies, apart from that it can be used as an evaluation for local governments to improve financial management in order to improve the financial accountability of the government.

Keywords: Regional Financial Accounting System, Internal Control Systems, Regional Financial Audit, Financial Accountability

1. Introduction

The concept of good governance emerged as the lack of effective governance performance during the government is believed to be the organizer of public affairs. Act No. 23, 2014 is one of the instruments which reflects the government's desire to implement good governance as well as a legal basis regulating the development of regional autonomy granting broad authority for local governments to administer their own affairs in their regions included in the authority's financial management area.

Granting authority demands accountability of local governments in the area of financial management in accordance with the principles of financial management and along with the general principles of local financial management orderly, obedient to laws and regulations, effective, efficient, economical, transparent, and accountable under the principles of fairness, decency and benefits to society. The authority in assess the financial accountability of local governments as mandated by Law No. 15 of 2004 given to the Supreme Audit Agency (BPK). Assessment of financial accountability of Local government is done by giving opinions about the level of fairness of the information presented in the financial statements of local government.

Indicators rated by BPK in the examination of financial statements include those relating to the implementation of internal control systems, accounting systems used are related to compliance with government accounting standards (SAP) and compliance with laws and regulations. WTP opinion has not been obtained by some regions in Indonesia because it is still associated with the lack of internal control systems. The accounting systems applied not appropriate Governmental Accounting Standards and non-conformity with the legislation.

In 2016 BPK has conducted an examination of 533 Local Government Finance Report (LKPD) in 2015 and providing opinions WTP (unqualified) on 312 LKPD, opinions Fair With Exceptions (WDP) on 187 LKPD, opinions Unnatural (TW) on 4 LKPD and Not Giving Opinions (TMP) on 30 LKPD (BPK, IHPS I 2016). Thus as much as 58% LKPD which has got WTP opinion and 42% have not got a WTP opinion. Obtaining the opinion shows the government's target has not been achieved, where from 2014 the government has set acquired over the entire LKPD WTP opinion as stated in the

country's Medium Term Development Plan (RPJMN) 2010-2014 (Indonesian Presidential Regulation No. 5 of 2010).

This illustrates show the weakness of the financial accountability of the local government. It is also become a problem that is still being experienced by East Lombok regency government. The government of East Lombok regency is the only government in the province of West Nusa Tenggara that still get WDP until 2015 where other areas have managed to get the opinion of WTP as a form of improving the quality of financial management. It shows the East Lombok regency government has not been able to improve the quality of financial management which led to a low financial accountability.

A fine financial management requires setting mechanisms and procedures adequate work also included the implementation of a financial management system in the process. Osho (2014) stated that accountability can be achieved through the application of the system of financial control and management strategies with an efficient and effective that includes policies, procedures for reporting and monitoring. Financial accountability requires setting internal and external financial mechanisms including adequate accounting systems, reporting and internal and external audit to ensure the legality of public expenditure (Rabrenovic, 2009).

Implementation of the system of financial accounting, internal control systems and financial audit effectively in the area of financial management, is expected to improve the performance of financial management so that what is expected by society as owners of public funds in line with the performance and accountability by the government. Mardiasmo (2002: 34) states that the local government financial accounting systems that are reliable required to produce financial statements that are relevant, reliable and trustworthy. Weak internal control causes the resulting financial statements less reliable and less relevant for decision-making (Mardiasmo, 2002: 34). The financial statements are reliable and relevant financial reporting reflects the integrity of the form of government financial accountability.

BPK examination on LKPD 2015 showed 6,150 cases of weakness internal control system consisting of 38% concerns control systems for accounting and reporting, 40% drawback control system

implementation of the budget revenue and expenditure, and 22% weaknesses internal control structure (BPK, IHPS I 2016) , BPK stated that these problems usually occur because the officers / employees responsible for negligent and not careful in keeping to and understand the applicable regulations, weak audit and control. Weak implementation of control indicates yet reliable financial accounting system due to a weak accounting system will lead to weak internal control (Mardiasmo, 2002: 34).

Financial audit by the regulator for the internal government in this case is a function of audit conducted by the Regional Inspectorate will determine the financial accountability of the government. Internal auditor's involvement in the regulatory process is very important to assess the consistency between the practices carried out by local governments with the applicable standards and assessing the accounting policies (Mardiasmo, 2002: 240). Widyaningsih, et.al (2011), revealed that the monitoring carried out by the regulatory body has not been optimal so that the management, administration and financial accountability disorderly regions.

Several studies have been conducted to assess the effect of regional financial accounting systems, internal controls and financial audit of the financial accountability of the government, but the results still show inconsistency. Research related to the regional financial accounting system has been tested by Widyaningsih, et al. (2011), Kelly (2013), Hazrita, et al. (2013), Soleha (2014) and Lily (2015) proved that the regional financial accounting systems are implemented effectively have a significant influence on the improvement of financial accountability. While the research results Saputra (2014) and Asfiryati (2017) show different things that the application regional financial accounting system is not able to improve financial accountability. In addition, research related to the internal control system has been carried out by Widyaningsih, et al. (2011), Soleha (2014), Ichlas, et al. (2014) and Bashir Aramide (2015) and Kewo (2017) provide evidence that local governments are implementing internal control systems effectively, can improve its financial accountability. Inconsistent results expressed Retnaningtyas (2016) and Santoso (2016) that the implementation of the internal control systems fail to give rise to financial accountability of the government.

The influence of the financial audit of the financial accountability of the government has been reviewed by Amasi (2013), Pujiswara, et al. (2014) and Retnningtyas (2016) who argued that the results of financial audit more effectively able to improve financial accountability. While research Alqodri (2015), which examines the influence financial audit of the financial management as a form of financial accountability of the government did not show any effect. The same thing is shown from the results Syarifuddin, et al. (2016) which found no effect between the internal auditor's role in the audit of the quality of information as a means of financial accountability of the government.

Referring to the inconsistency of the results of previous studies and the problems related to the lack of financial accountability of the Government of East Lombok, researchers interested in testing indicators for assessment of financial accountability that is used by the BPK in the investigation that the accounting system and internal control systems and financial audit by the apparatus internal watchdog area in conjunction with the financial accountability of the Government of East Lombok. The differences between this study compare with previous research is on analysis tool that is used to estimate the research models. This research model estimation approach Partial Least Squares (PLS).

By looking at the description above, the problem in this research is: Does the regional financial accounting systems, internal control systems and regional financial audit affect the financial accountability of the local government? Meanwhile the purpose of this study is to test and find evidence of the influence regional financial accounting systems, internal control systems and regional financial audit to the financial accountability of local government.

2. Theoretical Framework and Hypothesis Development

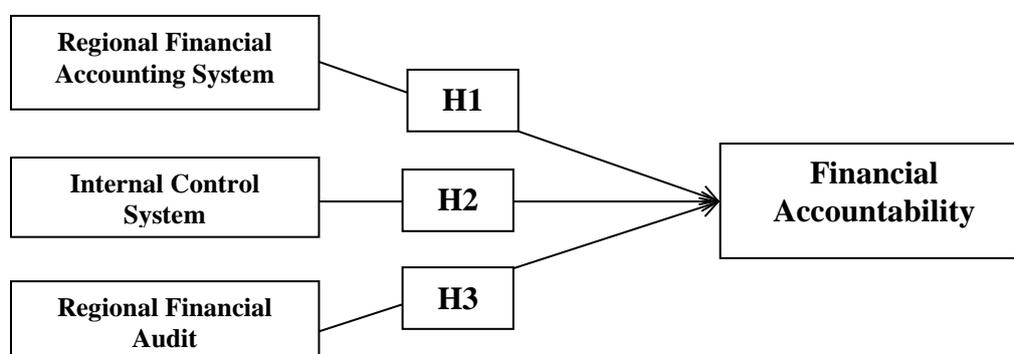
This study used the theory of stewardship as a basic premise. Under the stewardship theory approach the local government as an institution that can be trusted to act in the public interest to carry out its duties and functions appropriately as a manager of public funds by providing both appropriate financial accountability of public expectations. To carry out the responsibilities of local governments as stewards (waiter) establishes arrangements for the financial management mechanism with the

implementation of the system and work procedures that will improve the quality of financial management.

Implementation of accounting systems and internal control systems effectively in the financial management, are expected to provide financial information that is honest reliable as a form of financial integrity of government. Financial audit is intended to ensure that the financial management of local government do run efficiently and effectively in accordance with the plan and the provisions of the legislation in order to improve financial accountability. Based on the description above, the conceptual framework of this research can be seen in the image below:

Figure 1.

Conceptual framework Research



2.1 Regional Financial Accounting System on Financial Accountability

Appropriate stewardship theory view, the government as the steward will strive to provide quality accountability for financial management according wishes of the people as the party who has given the management of trust funds (principal). Implementation of accounting systems in financial management of the area is a series of systematic activities ranging from recording, classification, peringkasan financial transactions to financial reporting, aiming to provide good financial accountability to the community as the owner of the funds managed by the government.

Widyaningsih research results, et al. (2011), Kelly (2013), Soleha (2014) proved that the regional financial accounting systems are implemented effectively have a significant impact on

improving the quality of financial accountability. Based on these descriptions, the hypotheses proposed in this study are:

H1. The regional financial accounting system has positive influence on the financial accountability

2.2 Internal Control System on Financial Accountability

Control can be done by setting standards of conduct to guarantee the achievement of an effective, efficient and does not conflict with existing regulations. Good Internal Control System adopted by governments in financial management will be able to create the whole process of financial management activities from planning to report and accountability as well.

Research Widyaningsih, et al. (2011), Soleha (2014), Ichlas, et al. (2014) and Bashir Aramide (2015) and Kewo (2017) provide evidence that the system of internal control has a positive effect on accountability keuangann. Thus the internal control system implemented effectively, can improve the financial accountability of the government. Based on these descriptions, the hypotheses proposed in this study are:

H2. *Internal control systems positive effect on financial accountability*

2.3 Regions Financial Audit of the Financial Accountability

Society as having the funds entrusted to be managed by the government, requires a guarantee that the management of the government in accordance with the principles of proper financial management, in accordance with the rules and meet the expectations of society. In meeting the citizens' demands for financial accountability, the government will seek to optimize audit of financial management activities. Audit conducted by the internal watchdog function areas expected to provide solutions to the local government about the results, obstacles, and inappropriate things that happen on the state administration is the responsibility of the government, so as to give a good account to the public.

Amasi Research (2013) and Retnningtyas (2016) suggested that the results of financial audit positive effect on financial accountability. Financial audit more effective to improve the accountability of local government finance. Therefore, the third hypothesis proposed in this study are:

H3. *Regional financial audit positive effect on financial accountability,*

3. Research Methods

3.1. Types of Research

This research includes associative research, the research to find a relationship between one variable with another variable. Relationship used in this study is a causal relationship. The causal relationship is a relationship that is both cause and effect. So here are the independent variables / affecting and dependent / influenced (Sugiyono, 2014: 37).

3.2. Population and Sample

The population in this study is the apparatus of financial operators that are present in all work units (SKPD) the scope of the Government of East Lombok regency consists of Budget Users (PA), Executive Officer Technical Activities (PPTK), Acting Administration of Finance (PPK) and the treasurer spread in 51 sectors in the scope of East Lombok regency government. The total population is 227 people consisting of 51 PPK and 51 treasurers. The sampling technique used is non-probability sampling with purposive sampling. Samples of this research are PPK and treasurer that exist in each SKPD. The amount of PPK and treasurer in each SKPD each is one person so that from 51 SKPD in East Lombok regency government obtained sample amounted to 102 people consisting of 51 PPK and 51 treasurers.

3.3. Types and Sources of Data

The type of data in this study is the data subject is a kind of research data in the form of opinions, attitudes, experiences or characteristics of a person or group of people who become the subject of research (respondents). Where the subject of this study is the apparatus of financial management consists of the PPK and treasurer.

Sources of data in this study are primary data. The data obtained directly from the PPK and the treasurer that exist in all SKPD East Lombok regency government by using a list of statements in the form of a questionnaire to collect information from the research object.

3.4. Method of Collecting Data

Data collection method is to use a survey method. Steps taken to anticipate the low level of response (response rate) is by way of direct escort the questionnaire and also recontact respondents by telephone in order to ensure that the delivered questionnaires filled out by respondents, afterwards it is reassembled by picking it up immediately.

3.5. Operational Definition of Variables

To avoid different interpretations of the variables used in this study, the authors need to create a boundary or definition of each variable as follows:

Table 3.1.

Operational Definition of Variables

Variables	Operational definition	Indicator	Measurement scale
Financial Accountability (AK)	The accountability of the local financial integrity, disclosure and compliance with laws and regulations.	(1) The preparation of financial statements in a timely and complete (2) The financial statements are free from material error (3) The financial statements can be compared and reliably (4) The financial statements present financial information that is complete (5) Financial statement information used to assess the achievement of objectives (6) Financial statement information used to assess the efficiency and effectiveness of resource use (7) The preparation of the financial statements based on SAP (8) Review and audit LKPD	Likert
Regional Financial Accounting System (SAKD)	An information system that combines the process of recording, classifying, summarizing, reporting financial data relating to an entity so as to produce financial information	(1) The suitability of the accounting system with SAP; (2) Analysis / transaction identification and classification of n;	Likert

Variables	Operational definition	Indicator	Measurement scale
	that can be used as a basis for decision-making by parties berkepentingan.s	(3) Identification records; (4) Bookkeeping source documents; (5) Transaction recording in chronological order; (6) Classification of transactions into the appropriate posts; (7) Preparation of financial statements in a consistent and periodic.	
Internal Control System (SPI)	Integral process on the actions and activities carried out continuously by the management and all employees to provide reasonable assurance for the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, security of state assets and compliance with laws and regulations.	(1) Separation of duties; (2) Authorization; (3) Document / evidence; (4) Accounting records; (5) Independent verification; (6) Review financial statements.	Likert
Regions Financial Audit (PKD)	Process activities aimed to ensure that the regional government run efficiently and effectively in accordance with the plan and the provisions of the legislation which is implemented by AIPs accordance with the functions and authority.	(1) Examination (2) Testing the truth of reports (3) SAP conformance testing (4) Search of evidence to support a finding (5) evaluation findings	Likert

3.6. Measurement Scale

The scale used to assess a concept of revelation respondents in this study is a 5-point Likert scale. The interpretation or description of the interval in the category of the study variables using the class interval. Class interval used to determine the distance interval or range of attitudes between levels ranging from very good to very good as follows:

$$\text{interval} = \frac{\text{skortertinggi} - \text{skorterdendah}}{\text{banyaknya kategori}} = \frac{5 - 1}{5} = 0.80$$

Table 3.2.
Category Value on Each Interval Grade

Interval Class	Category			
	SAKD	SPI	PKD	AK
1.00 to 1.80	Highly Ineffective	Highly Ineffective	Very Not Optimal	Very No Good
1.81 to 2.60	Ineffective	Ineffective	Not Optimal	Not good

2.61 to 3.40	Less effective	Less effective	Less Optimal	Not good
3.41 to 4.20	Effective	Effective	Optimal	Good
4.21 to 5.00	Very effective	Very effective	Very Optimal	Very good

3.7. Data Analysis Method

This study is conducted by using the Litian Structural Equation Model (SEM) approach by using software Partial Least Square (PLS) 3.0 is software SmartPLS. Evaluation stage evaluation model consists of outer and inner models models. Outer evaluation models to assess the validity and reliability of the model while the inner evaluation performed models to predict the relationship between latent variables (Ghozali and Hengky, 2015: 77). Testing outer performed models by validity (convergent validity and discriminat validity) and reliability tests (composite reliability). Inner model is done by looking at the value of R square, predictive relevance (Q square) and assess the significance by comparing the value of t-statistic with t-table, if the t-statistic greater than t-table means that the hypothesis is supported.

4. Results

Financial management apparatus used as a sample in this study were 102 people consisting of 51 officials of the financial administration (PPK) and 51 treasurers. Based on questionnaires returned and can be processed, obtained a total of 93 people which can be used as final respondents in the study or in other words the rate of return of 91.18%. The 9 (8.82%) which could not be used as a final respondent is because 7 does not return the questionnaire and 2 others incomplete answer the questionnaire.

4.1. Research Instruments Test Results

From the results of testing the validity of the data showed that the correlation coefficient obtained by each item of variable regional financial accounting system, the system of internal control, financial audit and financial accountability is above the critical value of the product moment correlation (correlation coefficient > 0.3) and has the highest significance below 0.05 so that the questionnaire used is declared invalid.

Statistical reliability test is performed by calculating Cronbach's alpha values for each variable. A construct or a variable is said to be reliable if the value Cronbach's alpha > 0.60 (Ghozali, 2013: 47-48). Results of the reliability of data for variable accounting system, the system of internal control, financial audit and financial accountability indicates that the instrument used in this study is reliable (reliable), this can be seen from the results of statistical test with Cronbach's alpha value of more than 0.70.

4.2. Descriptive Statistics Analysis

Respondents end in this study is based on the rate of return and the completeness of the answers in the questionnaire is 93 people. Of the 93 respondents, 57 male respondents and 36 female respondents, the majority of respondents aged 46-55 years. The majority of respondents have a level of education S1 and long working majority of respondents over 19 years.

Table 4.1.
Descriptive statistics

Variables	The Average Answer
Financial Accountability	3.94
Regional Financial Accounting System	4.48
Internal Control System	4.15
Regional Financial Audit	4.25

From table 4.1. it is known that the majority of respondents stated that the regional financial accounting system variables included in the category of very effective with an average value of 4.48, the internal control system is included in the effective category, with an average value of 4.15, the regional financial audit including in the category of very effective with an average value of 4.25 and financial accountability included in both categories with an average value of 3.94.

4.3. Inferential Statistical Analysis

4.3.1. Outer Model

Outer evaluation model was used to assess the reliability and validity of each construct research. Validity test is done by looking at the value of convergent validity (seen from the loading factor) and

discriminatory validity while the reliability test is to see the value of composite reliability. The outer evaluation results following models:

Table 4.2.
Value Convergent Validity

INDICATOR	LOADING FACTOR		INFORMATION (Convergent validity)
	VALUE	TERMS	
AK1	0.732202	> 0.5	Valid
AK2	0.686155	> 0.5	Valid
AK3	0.691911	> 0.5	Valid
AK4	0.705647	> 0.5	Valid
AK5	0.720555	> 0.5	Valid
AK6	0.702753	> 0.5	Valid
AK7	0.723752	> 0.5	Valid
AK8	0.743793	> 0.5	Valid
SAKD1	0.665150	> 0.5	Valid
SAKD2	0.770165	> 0.5	Valid
SAKD3	0.793039	> 0.5	Valid
SAKD4	0.744637	> 0.5	Valid
SAKD5	0.705538	> 0.5	Valid
SAKD6	0.720641	> 0.5	Valid
SAKD7	0.808102	> 0.5	Valid
SPI1	0.663505	> 0.5	Valid
SPI2	0.707350	> 0.5	Valid
SPI3	0.741322	> 0.5	Valid
SPI4	0.702440	> 0.5	Valid
SPI5	0.825227	> 0.5	Valid
SPI6	0.719142	> 0.5	Valid
PKD1	0.818873	> 0.5	Valid
PKD2	0.867470	> 0.5	Valid
PKD3	0.867622	> 0.5	Valid
PKD4	0.811687	> 0.5	Valid
PKD5	0.808462	> 0.5	Valid

The table above shows that the loading factor for each indicator constructs has score above 0.5.

This means that the indicators used in this study is valid or has met the convergent validity.

Table 4.3.

Validity Discriminant Value

	AK	SAKD	SPI	PKD
AK1	0.732202	0.371167	0.512929	0.415035
AK2	0.686155	0.350955	0.294115	0.183465
AK3	0.691911	0.244803	0.376155	0.175245
AK4	0.705647	0.315015	0.365565	0.252976
AK5	0.720555	0.320558	0.477571	0.311697

AK6	0.702753	0.360860	0.404348	0.266498
AK7	0.723752	0.242617	0.394051	0.061789
AK8	0.743793	0.227257	0.442647	0.303300
SAKD1	0.346215	0.665150	0.248338	0.110048
SAKD2	0.265869	0.770165	0.266445	0.158390
SAKD3	0.384644	0.793039	0.430229	0.266169
SAKD4	0.247716	0.744637	0.274847	0.111848
SAKD5	0.333207	0.705538	0.206768	0.137231
SAKD6	0.214274	0.720641	0.220167	0.135942
SAKD7	0.366928	0.808102	0.269940	0.172589
SPI1	0.391711	0.174696	0.663505	0.265990
SPI2	0.461504	0.252414	0.707350	0.370241
SPI3	0.384788	0.238912	0.741322	0.203250
SPI4	0.394812	0.383637	0.702440	0.192707
SPI5	0.408570	0.296870	0.825227	0.299384
SPI6	0.462907	0.290040	0.719142	0.338568
PKD1	0.338624	0.328841	0.397479	0.818873
PKD2	0.248510	0.052507	0.396545	0.867470
PKD3	0.330314	0.219899	0.357241	0.867622
PKD4	0.279137	0.134703	0.256669	0.811687
PKD5	0.270540	0.112228	0.200276	0.808462

The table above shows that the correlation of cross loading of each indicator construct is greater than the correlation to construct another indicator. This means that the indicators used from each construct is not correlated or have met the discriminant validity.

Table 4.4.
Value Composite Reliability

Variables	<i>composite Reliability</i>		Information (Composite Reliability)
	Value	requirement	
AK	0.892	> 0.7	reliable
SAKD	0.897	> 0.7	reliable
SPI	0.870	> 0.7	reliable
PKD	0.920	> 0.7	reliable

From the table it can be seen that the composite reliability values more than 0.7. This shows that all the variables of this study is a measure of the fit, which means that all the items of the questions used to measure each of the variables is reliable.

4.3.2 Structural Model (Inner Model)

Evaluation of structural models used to examine the relationship constructs (hypothesis). Evaluation of the structural model is done by looking at the value of R square (R²), Q² predictive relevance and significance value.

R square (R²)

R square value is used to explain the influence of certain exogenous construct to construct endogenous does have influence substantive. R-square value of 0.75, 0.50 and 0.25 can be concluded that the model is strong, moderate and weak (Ghozali and Latan, 2015: 78). R-square value of the results of the analysis using the bootstrap resampling method sigifikansi level of 5% as presented in the following table:

Table 4.5.
Rated R square

	R square
AK	0.493

Based on the table it can be seen that the R-square value of the relationship between the variable regional financial accounting system, internal control system and financial audit of the financial accountability of the region is 0.493. These results indicate that 49.30% of financial accountability diversity of variables can be explained by the regional financial accounting systems, internal control systems and regional financial audit. The remaining amount of 50.70% is explained by other variables outside the model built in this study. Based on the value of R square can be concluded that models including weak category,

Q² Predictive Relevance

Value Q2 predictive relevance to represent the synthesis of cross-validation and function fitting with the predictions of the observed variables and estimates of constructs (Ghozali et al. (2015: 79). Value $Q2 > 0$ indicates that the model has predictive relevance, while the value of $Q2 < 0$ shows that the model lacks predictive relevance. Value Q2 predictive relevance 0:02, 0:15 and 0:35 shows that the model is weak, moderate and strong. Value Q2 predictive relevance obtained from the following calculation:

$$Q2 = 1 - (1 - R2)$$

$$Q2 = 1 - (1 - 0,493)$$

$$Q2 = 1 - 0,507$$

$$Q2 = 0,493$$

Based on the above calculation results obtained Q2 predictive value relevance of 0.493 or Q2 predictive value relevance > 0 . This indicates that the model has a powerful predictive relevance.

Value Significance

Significant value to determine the effect of inter-constructs (hypothesis) is by comparing the value of t-statistic with t-table generated from the PLS bootstrapping process. The hypothesis is accepted if the value of t-statistic is higher than t-table value (t-statistic > 1.66 for directional hypothesis at the 5% significance level). PLS bootstrapping process results in a t-statistic for the values in this study as presented in the figure below:

Figure 4.1.

Results Bootstrapping Process

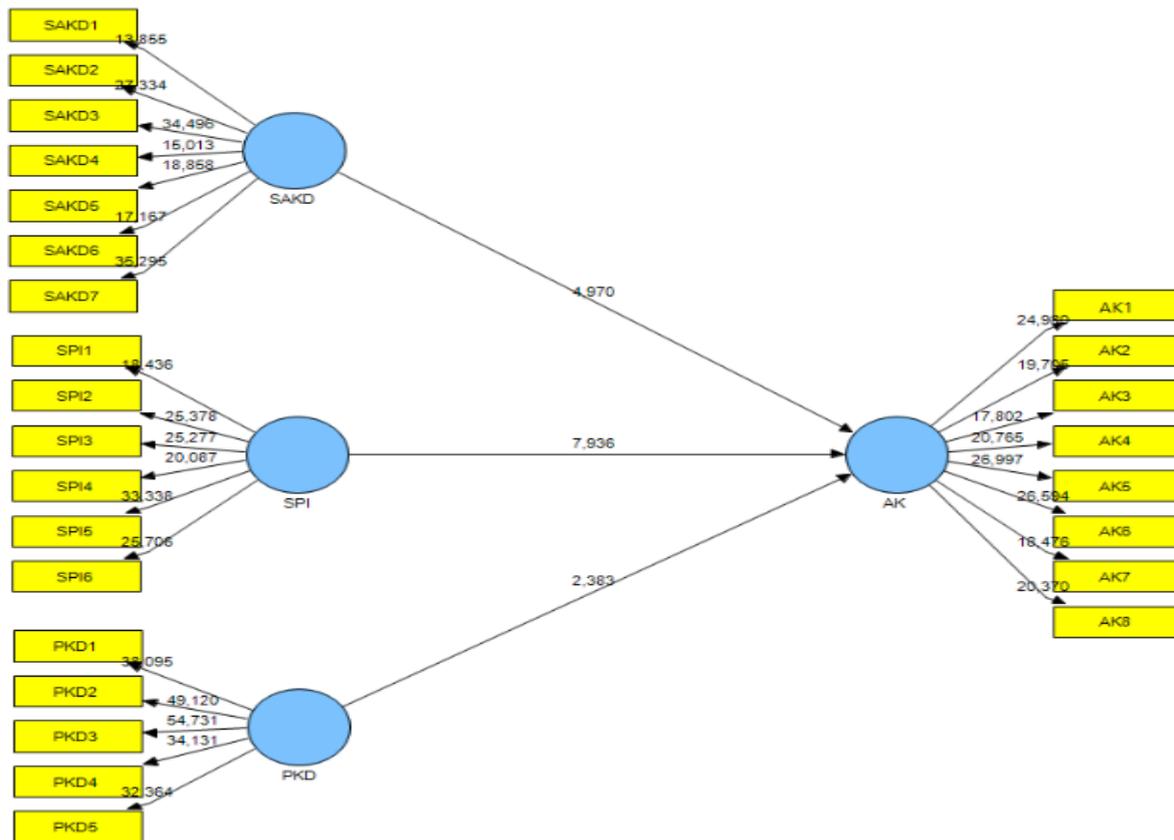


Table 4.6.

Research Hypothesis Conclusion

Hypothesis	T-statistics	T-table	Conclusion
H1: regional financial accounting system has positive effect towards financial accountability	4.969	1.66	Be accepted
H2: internal control system has positive effect towards financial accountability	7.935	1.66	Be accepted
H3: regional financial audit has positive effect towards financial accountability	2.383	1.66	Be accepted

Structural Equation Modeling (Inner Model)

Coefficient value for each relationship exogenous latent variables (regional financial accounting systems, internal control systems and regional financial audit) against endogenous variables (financial accountability) can be seen from the path coefficient value of bootstrapping analysis results.

Table 4.7.

Value Path Coefficients

AK

SAKD	0.234701
SPI	0.439979
PKD	0.141476

Based on the path coefficient value can be composed of structural equation models (inner model) as follows:

$$AK = 0.235 \text{ SAKD} + 0.440 \text{ SPI} + 0.141 \text{ PKD} + 0.050$$

Information :

AK = Financial Accountability

SAKD = Regional Financial Accounting System

SPI = Internal Control System

PKD = Regional Financial Audit

4.4. Discussion

4.4.1. Effect of Regional Financial Accounting System on Financial Accountability

The test results using the PLS was found that the regional financial accounting system has positive influence on financial accountability. The path coefficients (path coefficient) of 0.235 and the value of t-statistic of 4.969 (greater than t-table 1.66, the level of significance at $\alpha = 5\%$). The results showed that the hypothesis H1 is accepted means that more effective financial accounting system applied to the regional financial accountability, the better. This is because the regional financial accounting system serves as a means of controlling the financial transaction means any financial transactions that occur can be recorded accurately and chronologically with the implementation of the regional financial accounting system. The regional financial accounting system improves the reliability of management and financial reporting with the ability to provide financial information in a timely manner while maintaining the quality of the information presented as a form of government accountability for the management of public funds entrusted to it.

The study's findings support the theory of stewardship which the accounting system was designed and executed properly ensure the principle of stewardship and accountability does well too. The results support the results of research conducted Widyaningsih, et al. (2011), Kelly (2013) and Soleha (2014), which prove that the regional financial accounting systems are implemented effectively have a significant impact on improving the quality of financial accountability.

4.4.2. Effect of Internal Control System on Financial Accountability

The second hypothesis testing results show that the effect of internal control system of financial accountability has path coefficient value (path coefficient) of 0.440 and the value of t-statistic of 7.935 (greater than t-table 1.66, the level of significance at $\alpha = 5\%$). The results showed that the hypothesis H2 is accepted means that more effective internal control system is applied then the better financial accountability.

Internal control system into a means of control to avoid deviations on the direction to organizational objectives so as to improve the effectiveness of financial management and financial accountability has implications for good government. These results support the theory of stewardship which local governments (steward) seeks to provide a good responsibility to conduct an effective internal control over the management of regional resources. The effective implementation of internal control systems shows that the government has been running the principles of stewardship.

The previous study were consistent with the results of testing the second hypothesis is the research conducted by Widyaningsih, et al. (2011), Soleha (2014), Ichlas, et al. (2014) and Bashir Aramide (2015) and Kewo (2017) provide evidence that the internal control systems and a significant positive effect on financial accountability. This means that the internal control system within an agency the financial accountability will also be good.

4.4.3. Effect of Regional Financial Audit of the Financial Accountability

The second hypothesis testing results show that the influence of local financial audit of the financial accountability has path coefficient value (path coefficient) of 0.141 and the value of t-statistic of 2.383 (greater than t-table 1.66, the level of significance at $\alpha = 5\%$). The results showed that the hypothesis H3 is accepted means that the optimal regional financial audit applied it will get better financial accountability. Financial audits by internal auditors government done to assess the consistency between the practices undertaken by the government with the applicable standards which serves as a guarantee of the government's performance that ensures financial management conducted regional

government run efficiently and effectively in accordance with the plan and the provisions of the legislation as a representation The good financial accountability of the government.

The results support the theory that the government stewardship (steward) mamberikan collateral for the management of public resources has been carried out properly by optimizing the internal audit role in this respect is the regional inspectorate watchdog function. The results are consistent with previous studies conducted by Research Amasi (2013) and Retnningtyas (2016) who found that a financial audit and a significant positive effect on financial accountability.

5. Conclusion, Implication and Limitation

5.1. Conclusion

Based on data analysis and discussion of the results, we can conclude that the regional financial accounting systems, internal control systems and regional financial audit positive effect on financial accountability at significant level of 95%. If the regional financial accounting system and internal control system implemented effectively and regional financial audit carried out with the optimal sound financial accountability will be realized.

5.2. Implication

The implications are expected from the results of this study are:

1. Theoretical implications. This study may contribute to the development of science in the field of public sector accounting and can serve as a reference in developing future research related to financial accountability testing.
2. Practical Implications. The results of this study can be used as input and contributions to the financial manager is to give information and considerations about the importance of efforts to improve the financial accountability of the government to seek improvements in the management of finance with the implementation of systems and procedures for financial management according to the rules and to optimize the role of internal audit to ensure financial management has been implemented in accordance with applicable regulations.

3. Policy implications. The results of this study is expected to provide input and taken into consideration for the central government in the improvement and evaluation of the implementation of regulations related to the accounting system, internal control system and guidance and audit of governance. For local government is expected to be input and consideration in formulating the regulation of derivatives as a translation of central government regulations as consideration for the improvement and evaluation of the implementation of the East Lombok Regency Regulation No. 7 Year 2009 on the Principles of Financial Management East Lombok.

5.3. Limitation

The limitations in this study are:

1. This study examined only three variables that affect financial accountability, namely the variables that only technically related to financial management where the test results show that research model only provides the effect of 0.493 (49.30%) and classified in the category of low leverage. Future research is expected to add another variable that is not only related to technical competence but could add a financial manager who would determine the success of the implementation of systems and procedures.
2. This study is based on the perception of financial management, the results would probably be better if it involves internal watchdog of local government officials as samples so that research results more objectively.

Reference

- Alqodri, Muhammad. 2015. Pengaruh Akuntabilitas Keuangan, Pengawasan, dan Penyajian Laporan Keuangan terhadap Pengelolaan Keuangan Daerah (Studi pada Pemerintah Kota Dumai). *JOM. FEKON* Vol. 2 No. 2 : 1-15.
- Amasi, Rosnawati. 2013. Pengaruh Pengawasan Fungsional terhadap Akuntabilitas Pengelolaan Keuangan Daerah Pemerintah Kota Gorontalo. *Jurnal Publikasi Elektronik*.
- Aramide, S.F, Mustapha M.B. 2015. The Effectiveness of Internal Control System and Financial Accountability at Local Government Level in Nigeria. *International Journal of Research in Business Management (IMPACT: IJRBM)* Vol. 3 : 1 - 6.
- Asfiryati, Dewi. 2017. Pengaruh Penerapan Sistem Akuntansi Keuangan Daerah dan Penyajian Laporan Keuangan Terhadap Akuntabilitas Pengelolaan Keuangan Daerah Dengan Sistem Pengendalian Intern Sebagai Variabel Intervening (Studi Pada SKPD Kota Dumai). *JOM Fekon* Vol. 4 No. 1 : 1986 – 1999.
- Badan Pemeriksa Keuangan Republik Indonesia. 2016. *Ikhtisar Hasil Pemeriksaan Semester I Tahun 2016*.
- Ghozali, Imam dan Hengky Latan. 2015. *Partial Least Square : Konsep, Teknik dan Aplikasi Menggunakan Program SmartPLS 3.0*. Semarang : Badan Penerbit Universitas Diponegoro.
- Hazrita, et al. (2013). Pengaruh Kompetensi dan Sistem Akuntansi terhadap Kualitas Pertanggungjawaban Laporan Keuangan pada Satuan Kerja di Lingkungan Kanwil Kementerian Agama Provinsi Riau. *Jurnal SOROT* Vol. 9 No. 1 : 59-69.
- Ichlas, Muhammad, Hasan Basri dan Muhammad Arfan. 2014. Pengaruh Penerapan Standar Akuntansi Pemerintahan, Sistem Pengendalian Intern Pemerintah Dan Aksesibilitas Laporan Keuangan Terhadap Akuntabilitas Keuangan Pemerintah Kota Banda Aceh. *Jurnal Magister Akuntansi Pascasarjana Universitas Syiah Kuala* Vol. 3 No. 4 : 76-84.
- Kewo, Cecilia Lelly. 2017. The Influence of Internal Control Implementation and Managerial Performance on Financial Accountability Local Government in Indonesia. *International Journal of Economics and Financial Issues* Vol. 7 Issue 1 : 293-297.
- Kurnia, Indra. 2014. Pengaruh Sistem Akuntansi Keuangan Daerah dan Kualitas Aparatur Pemerintah terhadap Akuntabilitas Keuangan (Studi Pada Kantor Inspektorat Kabupaten/Kota di Propinsi Sumatera Barat). *e-journal.unp.ac.id*.
- Lily. 2015. Pengaruh Sistem Akuntansi Keuangan dan Aksesibilitas Laporan Keuangan terhadap Akuntabilitas Pengelolaan Keuangan Daerah (Studi Empiris Pada Satuan Kerja Perangkat Daerah Kota Payakumbuh). *Jom FEKON* Vol. 2 No. 2 : 1-15.
- Mardiasmo. 2002. *Otonomi dan Manajemen Keuangan Daerah*. Yogyakarta. Andi.
- Osho, Augustine dan Afolabi Matthew. 2014. The Effects and Effectiveness of Accountability and Transparency in Government Sectors. *IOSR Journal of Business and Management (IOSR-JBM)* Vol. 16 Issue 4 : 46-54.
- Pemerintah Kabupaten Lombok Timur. *Peraturan Daerah Kabupaten Lombok Timur Nomor 7 Tahun 2009 tentang Pokok-pokok Pengelolaan Keuangan Daerah Kabupaten Lombok Timur*.
- Pujiswara, I.B, Nyoman T.H. dan Ni K.S. 2014. Pengaruh Pemanfaatan Sistem Informasi Akuntansi Keuangan Daerah dan Pengawasan Keuangan Daerah Terhadap Nilai Informasi Pelaporan Keuangan dan Akuntabilitas Pemerintah Daerah (Studi Pada Satuan Kerja Perangkat Daerah di Kabupaten Klungkung). *e-Journal SI Ak Universitas Pendidikan Ganesha* Vol. 2 No. 1.
- Rabrenovic, Aleksandra. 2009. *Financial Accountability as a Condition Eu Membership*. Belgrade : Institute of Comparative Law.
- Republik Indonesia, *Undang-undang Nomor 15 Tahun 2004 tentang Pemeriksaan Pengelolaan dan Tanggungjawab Keuangan Negara*.
- _____, *Undang-undang Nomor 23 Tahun 2014 tentang Pemerintah Daerah*.
- _____, *Peraturan Presiden Republik Indonesia Nomor 5 Tahun 2010 Tentang Rencana Pembangunan Jangka Menengah Nasional Tahun 2010-2014*.
- Retnaninytyas, T.W. 2016. Analisis Akuntabilitas Kinerja Keuangan Satuan Kerja Perangkat Daerah Kota Surakarta. *e-jurnal eprints.ums.ac.id*.
- Santoso, Eli Budi. 2016. Pengaruh Sistem Pengendalian Intern Pemerintah, Pemanfaatan Teknologi Informasi dan Kompetensi Sumber Daya Manusia Terhadap Akuntabilitas Keuangan Daerah (Studi Empiris pada Pemerintah Kabupaten Lampung Timur). *Tesis*. Universitas Lampung.

- Saputra, Iskandar. 2014. Pengaruh Penerapan Sistem Akuntansi Keuangan Daerah, Transparansi Publik dan Aktivitas Pengendalian terhadap Akuntabilitas Keuangan pada SKPD di Pemerintahan Kabupaten Bintan. *e-jurnal jurnal.umrah.ac.id*.
- Sugiyono, 2014. *Metode Penelitian Kuantitatif, Kualitatif dan R & D*. Bandung. Alfabeta.
- Soleha, Nurhayati. 2014. Pengaruh Penerapan Sistem Akuntansi Keuangan Daerah Dan Aktivitas Pengendalian Terhadap Akuntabilitas Keuangan: Studi Pada Skpd Kabupaten/Kota Propinsi Banten. *Jurnal Etikonomi* Vol. 13 No. 1 : 21-34.
- Syarifudin. 2016. Determinan Kualitas Laporan Keuangan dan Implikasinya Terhadap Akuntabilitas Publik (Studi Empiris pada Inspektorat Kab. Lombok Timur, Kabupaten Bima dan Perwakilan BPKP Provinsi NTB). *SNA XIX*.
- Widyaningsih, Aristanti, Alvian Triantoro dan Lili SW. 2011. Hubungan Efektifitas Sistem Akuntansi Keuangan Daerah Dan Pengendalian Intern Dengan Kualitas Akuntabilitas Keuangan: Kualitas Informasi Laporan Keuangan Sebagai Variabel Intervening (Penelitian pada Laporan Realisasi Anggaran di Pemda Kabupaten/Kota Wilayah Propinsi Jawa Barat). *SNA XIV Aceh*.