



THE EFFECT OF INTELLECTUAL INTELLIGENCE, UNDERSTANDING OF GOVERNMENT ACCOUNTING STANDARDS AND USING INFORMATION TECHNOLOGY IN QUALITY OF VILLAGE GOVERNMENT FINANCIAL STATEMENTS

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Abstract

This study aims to examine and obtain empirical evidence regarding the Effects of Intellectual Intelligence, Understanding of Government Accounting Standards and Utilization of Information Technology on the Quality of Village Government Financial Reports (Study of Villages in Petang District). Data sources used in this study are primary and secondary data. Primary data were obtained from questionnaire answers distributed directly to respondents, while secondary data from third parties and documents. The population in this study is the village administration apparatus in Petang District. Determination of the sample is done using purposive sampling technique, obtained a sample of 35 respondents. The data analysis technique used is multiple linear regression analysis. Based on the results of the analysis of this study found Intellectual Intelligence, Understanding of Government Accounting Standards and the Use of Information Technology has a positive effect on the Quality of Financial Statements of Village Governments in Petang District.

Keywords: Intellectual intelligence, government accounting standards, information technology, quality of financial statements

INTRODUCTION

Financial Statements are media used by the village government to account for village funds that are managed in a transparent and accountable manner to the public. The information presented in the financial statements must be quality so that it can be used by users to make decisions and evaluate the performance of the village administration. The characteristics of quality financial statements are relevant, reliable, comparable and understandable. To be able to meet the four conditions, financial statements must be prepared and presented based on generally accepted Government Accounting Standards, prepared by people who are competent in their fields, have high intellectual intelligence, and in the accounting process use information technology so that financial reports can be presented on time.

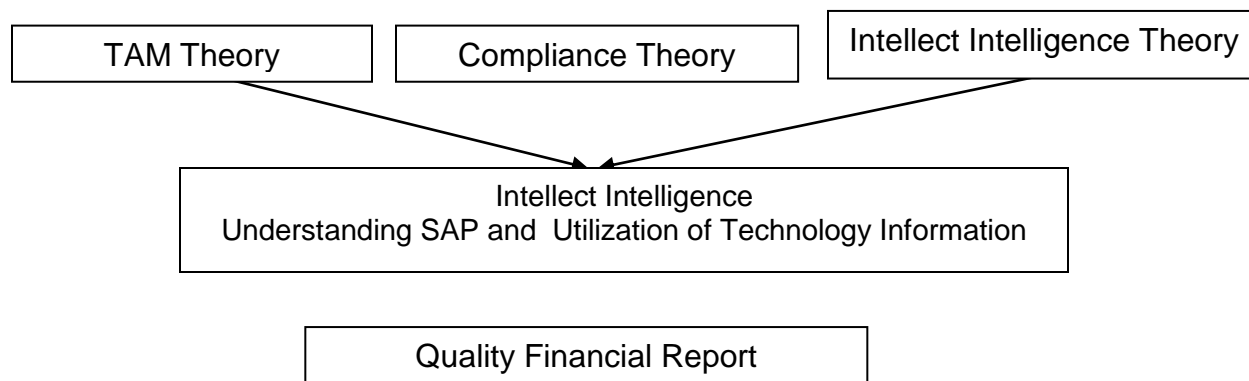
This research will be carried out in villages in Petang Subdistrict, because one of the seven villages, namely Pelaga village, received the largest Village Fund in Badung Regency, amounting to Rp. 16.9 billion (Bali Tribune, 2019). The acquisition of large Village Funds, will lead to very complex accounting responsibilities. To overcome these problems, the village must have quality human resources, that is, have high intellectual intelligence, understand government accounting standards and utilize information technology to be able to produce information on time.

Based on the background of the problem, the formulation of the problem in this study is whether Intellectual Intelligence, Understanding of Government Accounting Standards, and Utilization of Information Technology affects the Quality of Village Fund Financial Reports in Petang District.

This study aims to examine and provide empirical evidence, the influence of Intellectual Intelligence, Understanding of Government Accounting Standards, and Utilization of Information Technology on the Quality of Village Fund Financial Reports in Petang District, in relation to the Technology Acceptance Model theory, Compliance Theory and Intellectual Intelligence Theories.

According to the TAM theory the use of information technology systems is influenced by perceptions of usefulness and perceptions of convenience for these technologies. Compliance theory states that village fund management must comply with applicable laws and regulations and financial statements as a form of accountability must be presented in accordance with accrual-based Government Accounting Standards (SAP). To produce quality financial reports must be supported by human resources who understand SAP and have the ability in adequate information technology. Based on this theory the conceptual framework of this study is presented in Figure 1 below.

Figure 1: Conceptual Framework for Research



HYPOTHESES DEVELOPMENT

Angraeni (2014) found that the quality of human resources (HR) had a positive effect on the reliability of LG financial reporting. The same research results were found by Sukmaningrum and Harto (2012) who empirically found that HR capacity influences the quality of the Local Government Financial Report (LKPD). Suhardjo and Adhi (2013) found that the quality of the apparatus affected the quality of LKPD. Whereas Indriasih research (2014) shows that the competence of government officials is the main cause of the weak quality of the financial statements of the Regional Government. According to intellectual intelligence theory, intelligent individuals will have the ability to think and act in a directed manner and effectively process and control the environment. Based on the results of previous studies and intellectual intelligence theory, the hypotheses are developed as follows:

H1: Intellectual Intelligence has a positive effect on the quality of village government financial reports

Suhardjo and Adhi (2013) found the application of SAP has an effect on the quality of LKPD. Zeyn (2011) states that the simultaneous application of Good Governance and SAP affects financial accountability. Zeyn concluded that the application of good governance and understanding and use of SAP is absolutely necessary so that the resulting financial statements are of higher quality. Compliance theory states that individuals behave must understand and obey the rules and regulations that apply to avoid sanctions and produce quality output. Understanding and applying SAP requires reliable human resources and understanding of the standards for preparing financial statements.

Based on previous empirical studies and compliance theory, the research hypotheses are developed as follows:

H2: SAP understanding has a positive effect on the quality of village government financial reports

Anggraeini (2014) found that the use of IT had no effect on the reliability of local government financial reporting. These results are different from the research of Sukmaningrum and Harto (2012) who found empirical evidence that the use of IT affects the quality of Local Government Financial Statements (LKPD). Donnelly et al. (1994) find empirical evidence that the development of information systems and the development of information technology have an effect on good governance in Scotland. According to the theory TAM believes that the use of information technology systems will improve the performance of individuals or organizations, besides that the use of information technology systems is relatively easier and does not require a lot of effort to use it. Utilize and master information technology in carrying out its duties and responsibilities to help speed up the processing of transaction data and the presentation of quality financial statements. Based on the results of previous studies and TAM theory, the hypotheses developed are as follows:

H3: Utilization of Information Technology has a positive effect on the quality of village government financial reports

RESEARCH METHODS

Study adopted descriptive research design. Data sources used in this study are primary and secondary data. Primary data were obtained from questionnaire answers distributed directly to respondents, while secondary data from third parties and documents. The population in this study is the village administration apparatus in Petang District. Determination of the sample is done using the nonprobability sampling method with purposive sampling technique, obtained a sample of 35 respondents. Thus, the number of samples in this study were 35 respondents, in 7 villages in Petang sub-district and 5 villages in each village. Data was collected using questionnaire. The data analysis technique used is multiple linear regression analysis.

ANALYSIS AND RESULTS

Characteristics of Respondents

Characteristics of research respondents from 7 villages are explained based on several criteria, namely: gender, education level, and years of service.

a) Gender

Based on the results of the study, a description of the sex of the respondents is presented in Table 1 below.

Table 1 Characteristics of Respondents by Gender

Number	Gender	Number of Respondents (people)	Percentage (%)
1.	Men	24	69
2.	Female	11	31
	Total	35	100

Table 1 shows 69 percent of respondents were male and 31 percent were female. This means that the percentage of men's involvement in the presentation in village government finances is greater than that of women.

b) Education Level

Based on the results of the study, the education level of the respondents is presented in Table 2 below.

Table 2 Characteristics of Respondents by Education Level

Number	Education Level	Number of respondents (people)	Percentage (%)
1.	High School	25	71
2.	S1	8	23
3.	S2	1	3
4.	S3	1	3
	Total	35	100

Table 2 shows the level of education of the most high school respondents, namely by 71 percent, S1 by 23 percent, S2 by 3 percent and S3 by 3 percent. Judging from the level of education, the part that is related to the presentation of village government financial reports in Petang sub-district is mostly high school graduates. To improve the quality of financial reports, adequate training and continuing education must be provided

c) Working Period

Based on the results of the study, the respondent's years of service are presented in Table 3 below.

Table 3 Characteristics of Respondents Based on Years of Service

Number	Working Period	Number of respondents	
		(people)	Percentage (%)
1.	1 – 5 years	4	12
2.	5 – 10 years	6	17
3.	>10 years	25	71
Total		35	100

Table 3 shows that the respondents' tenure was the most in the range of > 10 years, which was 71 percent, the range of 1-5 years was 12 percent and the range of 5-10 years was 17 percent. Judging from the working period of the sections related to the presentation of the Village Government's financial statements in the evening district, 71 percent have enough experience to have more than 10 years experience.

Research Instrument Testing Results

Validity testing is done to measure whether each research instrument is valid as an indicator of the variable under study (Table 4).

Table 4 Test Results of Research Instrument Validity

No	Variable	Indicator	Coefficient correlation	Explanation
1.	Intellectual Intelligence	X1.1	0,905	Valid
		X1.2	0,894	Valid
		X1.3	0,905	Valid
		X1.4	0,787	Valid
		X1.5	0,756	Valid
		X1.6	0,902	Valid
		X1.7	0,766	Valid
		X1.8	0,778	Valid
2.	Understanding	X2.1	0,875	Valid
	Government Accounting	X2.2	0,912	Valid
	Standards	X2.3	0,919	Valid

					Table 4....
		X2.4	0,809	Valid	
		X2.5	0,919	Valid	
		X2.6	0,951	Valid	
3.	Utilization of Information Technology	X3.1	0,748	Valid	
		X3.2	0,944	Valid	
		X3.3	0,945	Valid	
		X3.4	0,957	Valid	
		X3.5	0,823	Valid	
4.	Quality of Village Government Financial Report	Y1.1	0,929	Valid	
		Y1.2	0,859	Valid	
		Y1.3	0,884	Valid	
		Y1.4	0,884	Valid	
		Y1.5	0,890	Valid	

Based on Table 4 shows that the overall indicator of the research variable used has a correlation coefficient value above 0.3, meaning that the overall indicator used is declared valid and can be followed by subsequent analysis.

Classical Assumption Testing

a) Normality Test

Normality testing aims to test whether in the regression model, residual variables have normal or near normal data distribution. The test results between the significance level obtained from the calculation results compared with the alpha level used. Data is said to be normally distributed when the value of $Asymp.sig > \alpha$, the Test Results using the Kolmogorov-Smirnov test are presented in Table 5 below.

Table 5 Normality Test Results

N= 35	Unstandardized Residual	
	Mean	000000
Normal Parameters ^{a,b}	Std. Deviation	.56869178
	Absolute	.120
Most Extreme Differences	Positive	.083
	Negative	-.120
Test Statistic		.120
Asymp. Sig. (2-tailed)		.200

Based on Table 5 shows that the Asymp value. Sig > $\alpha = 0.05$, it can be concluded that all data used in the regression equation are normally distributed data.

b) Multicollinearity Test

Multicollinearity test is performed to prove whether there is a linear relationship between one independent variable and another independent variable. Results of multicollinearity testing is done by looking at tolerance values above 0.1 and the value of Variance Inflation Factor (VIF) below 10, which means there are no symptoms of multicollinearity. The results of the multicollinearity test are presented in Table 6 below.

Table 6 Multicollinearity Test Results

No	Variable	Tolerance Value	VIF Value
1.	Intellectual Intelligence	0,928	1,078
2.	Understanding Government Accounting Standards	0,410	2,440
3.	Utilization of Information Technology	0,399	2,509

Table 6 shows that the tolerance value of the independent variable is above 0.1 and the VIF value is below 10. So it can be concluded that the model used in the regression equation has no symptoms of multicollinearity.

c) Heteroscedasticity Test

Heteroscedasticity testing is carried out to determine whether there are variance inequalities in the regression model. To detect the presence or absence of heterokedasticity, the glacier model is used, with the condition that the significance value is above 0.05, which means there is no heteroscedasticity. Heteroscedasticity test results are presented in Table 7 below:

Table 7 Heteroscedasticity Test Results

No	Variable	Sig.	Explanation
1.	Intellectual Intelligence	0,542	Free from heteroscedasticity
2.	Understanding Government Accounting Standards	0,254	Free from heteroscedasticity
3.	Utilization of Information Technology	0,053	Free from heteroscedasticity

Based on Table 7 shows the significance level of each independent variable is greater than 0.05, it can be concluded that the regression model is free from heteroscedasticity symptoms.

Descriptive statistics

Descriptive statistics in this study are presented to provide information about the characteristics of research variables, including: minimum value, maximum value, average and standard deviation with N is the number of research respondents. Results Descriptive statistics are presented in Table 8 below.

Table 8 Descriptive statistics

	N	Minimum	Maximum	Mean	Standard Deviation
X1	35	23	27	24,46	0,150
X2	35	17	24	20,77	0,278
X3	35	15	20	17,40	0,285
Y	35	14	19	16,94	0,256
Valid N (listwise)	35				

Based on Table 8 shows that the descriptive statistics of each variable studied are described as follows:

- (1) The variable of intellectual intelligence has a minimum value of 23, a maximum value of 27, an average value of 24.46 with a standard deviation of 0.150.
- (2) Variable Understanding of Government Accounting Standards has a minimum value of 17, a maximum value of 24, an average value of 20.77 with a standard deviation of 0.278.
- (3) Information Technology Utilization Variable has a minimum value of 15, a maximum value of 20, an average value of 17.40 with a standard deviation of 0.285. This means that on average 17.40 percent of the use of information technology affects the quality of village government financial reports in the evening distric

Model Feasibility Test (F Test)

The model feasibility test is used to determine the feasibility of multiple linear regression models as a testing analysis tool about the effect of independent variables on the dependent variable. The probability level used is $p = 0.05$. If the significance in the Annova table is smaller than $p = 0.05$, it is appropriate to use. Based on the calculation of multiple linear regression shows that

significant $F = 0,000$ is smaller than 0.05 , then the regression model is feasible to be used to predict the effect of intellectual intelligence, understanding of government accounting standards and the use of information technology on the quality of financial statements in the village government in Petang sub-district.

Determination Coefficient Test (Adj R²)

The coefficient of determination (adjusted R²) essentially measures how much the model's ability to explain the variation of the independent variable. The adjusted R square value is 0.712 , meaning that 71.2 percent of the variable quality of the village government financial statements in the Petang sub-district can be explained by the variables of intellectual intelligence, understanding of government accounting standards and the use of information technology. The remaining 28.8 percent is influenced by other factors not included in the research model.

Hypothesis Testing (t test)

Hypothesis testing is carried out to determine the effect of the variables of intellectual intelligence, understanding of government accounting standards and the use of information technology on the quality of village government financial reports in Petang sub-district. The test results are presented in Table 9 below.

Table 9 T-Test Results

No	Variable	t _{count}	Significance
1.	Intellectual Intelligence	2,751	0,010
2.	Understanding Government Accounting Standards	3,931	0,000
3	Utilization of Information Technology	2,185	0,037

- 1) Hypothesis test of the influence of intellectual intelligence, on the quality of the village government financial statements in the Petang sub-district. Based on the t-test results obtained t value of intellectual intelligence variable of 2.751 with a significance value of $0.010 < \alpha (0.05)$ then H_0 is rejected. This means that the intellectual intelligence variable has a significant effect on the quality variable of the financial statements of the village administration in Petang sub-district.

- 2) Hypothesis testing of the influence of understanding of government accounting standards on the quality of village government financial statements in Petang Bed kecamatan based on the results of the t test was obtained t value of understanding the government accounting standard variables of 3,931 with a significance value of $0,000 < \alpha$ (0,05) then H_0 was rejected. This means that the variable understanding of government accounting standards has a significant effect on the quality variables of village government financial reports in the Petang sub-district.
- 3) Hypothesis testing of the influence of the use of information technology on the quality of financial statements in the village government in Petang Bed kecamatan based on the results of the t test results obtained t value of variable information technology utilization of 2.185 with a significance value of $0.037 < \alpha$ (0.05) then H_0 is rejected. This means that the variable in the use of information technology has a significant effect on the quality variables of village government financial reports in the Petang sub-district.

Multiple Linear Regression Analysis

To find out the influence of variables, the influence of intellectual intelligence, understanding of government accounting standards and the use of information technology on the quality of village government financial reports in the Petang sub-district, an analysis of multiple linear regression, t-test and F-test was used. The analysis is processed with a computer program package, the Statistical Package for Social Science (SPSS). The results of the analysis are presented in Table 10 below.

Table 10 Results of Multiple Linear Regression Testing

Variable Name	Regression Coefficient	t-test	Sig. T
Intellectual Intelligence	0,449	2,751	0,010
Understanding of Government Accounting Standards	0,519	3,931	0,000
Utilization of Information Technology	0,286	2,185	0,037
Constanta		-9,802	
R		0,859	
<i>Adjusted Rsquare</i>		0,712	
F count		29,049	
F sig		0,000	

Based on Table 10 multiple linear regression equations of variables, the influence of intellectual intelligence, understanding of government accounting standards and the use of technology Information on the quality of the financial statements of the village administration in Petang sub-district is as follows:

$$Y = -9,802 + 0,449 (X1) + 0,519 (X2) + 0,286 (X3) + 0,812$$

Based on these equations, the variables of intellectual intelligence, understanding of government accounting standards and the use of information technology affect the quality of village government financial reports in the Petang sub-district. The value of a constant of -9,802 implies that if the variables of intellectual intelligence (X1), government accounting standards (X2) and the use of information technology (X3) are constant, then the quality of the financial statements of the village administration in Petang sub-district (Y) is reduced by 9, 802 units.

1) $\beta_1 = 0.449$ this means that if the intellectual intelligence variable (X1) increases by one unit, the quality of the village government financial statements in Petang sub-district (Y) will increase by 0.449 units, assuming the other independent variables are constant.

2) $\beta_2 = 0.519$, this means that if the understanding of the government accounting standard (X2) rises by one unit, then the quality of the village government financial statements in Petang sub-district will rise by 0.519 units, assuming the other independent variables are constant.

3) $\beta_3 = 0.286$, this means that if the use of information technology (X3) goes up by one unit, the quality of the village government financial statements in Petang sub-district will increase by 0.286 units, assuming the other independent variables are constant.

Hypotheses testing results show the variables of intellectual intelligence, understanding of government accounting standards and the use of information technology have a significant effect on the quality of financial statements of village governments in Petang sub-district. The discussion for each hypothesis test result will be explained below.

DISCUSSION

Hypothesis 1 test results, the t value of intellectual intelligence variable was 2.751 with a significance value of $0.010 < \alpha (0.05)$. The results showed that intellectual intelligence had a positive and significant effect on the variable quality of the financial statements of the village administration in Petang sub-district. This means that the higher the intellectual intelligence of a person or individual, the higher the person's ability to do the right thing. This finding supports the results of previous studies conducted by Anggraeni (2014) and Sukmaningrum and Harto (2012), which states the quality of human resources affects the quality of reports finance. The results of this study also confirm intelligence intelligence theory which states that individuals

who have high intelligence will have the ability to think and act in a directed manner and master the job well and effectively.

Hypothesis 2 test results, the value of t variable understanding of government accounting standards amounted to 3.931 with a significance value of $0.000 < \alpha (0.05)$. The results showed that understanding of government accounting standards had a significant effect on the quality variables of village government financial reports in the Petang sub-district. This means that the higher the understanding of one's government accounting standards, the higher one's ability to present financial statements properly, because the possibility of material misstatement of financial statements is very small. This finding supports the results of previous research conducted by Suhardjo and Adhi (2013) which states the application of SAP affects the quality of financial statements. The results of this study also confirm the theory of compliance which states that individuals have a moral obligation to comply with the applicable laws and regulations in carrying out their duties and responsibilities to improve the quality of their performance.

Hypothesis 3 test results, the value of t variable utilization of information technology amounted to 2.185 with a significance value of $0.037 < \alpha (0.05)$. The results showed that the use of information technology had a significant effect on the quality variables of village government financial statements in Petang sub-district. This means that the higher the utilization of information technology, the better the quality of the financial statements of the village administration, because the financial statements can be presented on time according to the needs of users of financial statements. The results of this study support the research of Sukmaningrum and Harto (2012) who found that the use of information technology affects the financial statements of local governments. The results of this study also confirm the TAM theory which believes that the use of information technology systems will improve the performance of individuals or organizations. Utilizing and mastering information technology in the accounting process will help speed up the processing of financial transaction data and the presentation of quality.

CONCLUSIONS AND SUGGESTIONS

Based on the analysis and discussion of the results of this study it can be concluded that intellectual intelligence, understanding of government accounting standards, and the use of information technology have a significant effect on the quality of the financial statements of the village administration in Petang sub-district.

Suggestions that can be conveyed in this study are the Village Government in the District of Petang in distributing the burden of work must consider the competence of human

resources, and the ability to use information technology in their duties.. The village government in the village of Petang sub-district must provide opportunities for its staff to receive training and continuing education, because most have a high school education.

This study has limitations on conclusions based on individual at village administration apparatus in Petang District only so that it cannot be generalized to village administration apparatus in Badung Regency. Future studies can use this research as one of the references regarding quality of village government financial statements with other region.

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