THE INFLUENCE OF THE USE OF INFORMATION TECHNOLOGY AND PUBLIC ACCOUNTABILITY ON THE QUALITY OF FINANCIAL REPORTS IN GOVERNMENT ORGANIZATIONS

a Eliana, b Intan Novia Astuti, c Farah Ivana, d Suryafatma, e Vilzati Juned

ABSTRACT

Objective: This research aims to analyze the relationship between the use of information technology and the quality of financial reports, to analyze the relationship between public accountability and the quality of financial reports.

Method: This type of research is classified as quantitative research. Quantitative research is research that emphasizes testing theory - by measuring research variables based on the philosophy of positivism, studying a certain population or sample, collecting data using research tools, analyzing quantitative/statistical data with the aim of testing a given hypothesis. Research data was obtained by distributing an online questionnaire designed using a Likert scale of 1 to 7. The independent research variables were the use of information technology and public accountability. The research sample was 450 government employee respondents. These respondents are known to know best and assess the quality of financial reports. Data analysis used partial least squares (PLS) structural equation modeling (SEM) with SmartPLS 3.0 software tools. The data analysis stage is to assess the validity and reliability of a construct. The tests carried out are Convergent Validity, Discriminant Validity, Cronbach's Alpha and Composite Reliability. The Structural Model (Inner Model) is a measurement to evaluate the level of accuracy of the model in research, the tests carried out are R-Square, F-Square and Path Analysis.

Result: Based on the structural equation modeling analysis, the p value is 0.00 < 0.050 and the path coefficient is positive so that there is a positive and significant relationship between information technology and the quality of financial reports and there is a positive and significant relationship between financial accountability and the quality of financial reports.

Conclusion: Based on the results of the analysis, it is found that the use of information technology has a positive effect on the quality of financial reports, Public Accountability has a positive effect on the quality of financial reports. This means that the more accountable financial management and financial reporting, the more performance will improve. High accountability in financial management is expected to increase public trust in the government so that it can create a good investment climate. It is believed that the implementation of...
accountability will be able to improve the performance of government organizations. The use of information technology has a positive and significant effect on the quality of financial reports and the use of information technology has a significant positive effect on the quality of financial reports. Information technology functions as technology that processes and stores information and disseminates information. The process of processing transaction data and presenting financial reports can be accelerated by the use of good technology so that the value of the information contained in financial reports is not lost.

**Keywords:** information technology, public accountancy, quality of financial reports, government organizations.

---

**A INFLUÊNCIA DO USO DE TECNOLOGIA DA INFORMAÇÃO E RESPONSABILIDADE PÚBLICA NA QUALIDADE DOS RELATÓRIOS FINANCEIROS EM ORGANizaÇÕES GOVERNAMENTAIS**

**RESUMO**

**Objetivo:** Esta pesquisa tem como objetivo analisar a relação entre o uso da tecnologia da informação e a qualidade dos relatórios financeiros, analisar a relação entre a prestação de contas pública e a qualidade dos relatórios financeiros.

**Método:** Este tipo de pesquisa é classificado como pesquisa quantitativa. Pesquisa quantitativa é uma pesquisa que enfatiza a teoria dos testes - medindo variáveis de pesquisa com base na filosofia do positivismo, estudando uma determinada população ou amostra, coletando dados usando ferramentas de pesquisa, analisando dados quantitativos estatísticos com o objetivo de testar uma dada hipótese. Os dados da pesquisa foram obtidos por meio da distribuição de um questionário on-line projetado usando uma escala de Likert de 1 a 7. As variáveis da pesquisa independente foram o uso da tecnologia da informação e a prestação de contas pública. A amostra da pesquisa foi de 450 funcionários do governo entrevistados. Sabe-se que estes inquiridos são os que melhor conhecem e avaliam a qualidade dos relatórios financeiros. A análise de dados utilizou a modelagem de equações estruturais (SEM) de mínimos quadrados parciais (PLS) com ferramentas de software SmartPLS 3.0. A etapa de análise de dados é avaliar a validade e a confiabilidade de uma construção. Os testes realizados são Validade Convergente, Validade Discriminante, Alfa de Cronbach e Confiabilidade Composta. O Modelo Estrutural (Modelo Interno) é uma medida para avaliar o nível de precisão do modelo em pesquisa, os testes realizados são R-Quadrado, F-Quadrado e Análise de Caminho.

**Resultado:** Com base na análise de modelagem de equações estruturais, o valor p é de 0,00 < 0,050 e o coeficiente de correção é positivo, de modo que existe uma relação positiva e significativa entre a tecnologia da informação e a qualidade dos relatórios financeiros e existe uma relação positiva e significativa entre a responsabilização financeira e a qualidade dos relatórios financeiros.

**Conclusão:** Com base nos resultados da análise, verifica-se que o uso da tecnologia da informação tem um efeito positivo sobre a qualidade dos relatórios financeiros, a Responsabilidade Pública tem um efeito positivo sobre a qualidade dos relatórios financeiros. Isto significa que quanto mais responsabilizável for a gestão financeira e a prestação de informações financeiras, mais desempenho irá melhorar. Espera-se que a alta responsabilidade na gestão financeira aumente a confiança pública no governo, para que este possa criar um bom clima de investimento. Acredita-se que a implementação da prestação de contas será capaz de melhorar o desempenho das organizações governamentais. A utilização da tecnologia da informação tem um efeito positivo e significativo na qualidade dos relatórios financeiros.
The Influence of the Use of Information Technology and Public Accountability on the Quality of Financial Reports in Government Organizations

1 INTRODUCTION

According to Banerjee et al. (2020); Barauskaite et al. (2021) low service quality occurs in almost all aspects of public services, both in the aspects of services, administrative services and goods services. To overcome these problems and in line with the development of information technology, one of the efforts made is to utilize electronic networks. This is also based on the fact that people are becoming more accustomed to this network.

Increasing public demands for good government administration have encouraged the central government and regional governments to implement public accountability. The definition of public accountability. According to Al-Okaily et al. (2023) the obligation of the government (agent) to manage resources, report and disclose all activities and activities related to the use of public resources to the mandate giver (principal). One form of accountability in government administration is regulated in Law Number 17 of 2003 concerning State Finances and Law Number 32 of 2004 concerning Regional Government. A concrete effort to realize transparency and accountability in government financial management, both central government and regional government, is to submit accountability reports in the form of financial reports. According to Barauskaite et al. (2021) information produced from financial reports must be useful for users, including having value or quality that can support decision making and can be understood by users.

One thing that also influences the performance of local government agencies is the use of information technology. Organizations have responded to the development of information technology by designing computer technology-based information systems or websites. IT-supported information systems can provide added value to organizations if they are designed to be effective information systems. According to Androniceanu (2021) information is a product of information technology systems. Information technology plays a role in providing useful information for decision makers within the
organization, including reporting, thereby supporting the decision making process more effectively. It is hoped that the availability of information technology can assist in the financial reporting process so that it can produce reliable and timely financial reports. In order to achieve success in administering state government, an agency needs a strong internal control system. The internal control system is an integral process of actions and activities carried out continuously by management and all employees to provide adequate confidence in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, security of state assets, and compliance with laws and regulations. According to Androniceanu (2021) with internal control, it is hoped that the quality of information produced will be higher, which will then positively influence organizational productivity. The quality of financial reports is greatly influenced by the internal control system of the local government. Research conducted by Dewi et al. (2020); Desky et al. (2020) which examined the use of information technology on the quality of financial reports stated that the use of information technology had a positive and significant effect on the quality of financial reports. Other research results that support this are Marwanto et al. (2023) who state that the use of information technology has a significant positive effect on the quality of local government financial reports. This research is in contrast to the research of Hyun et al. (2020); Juwaini et al. (2022) which states that the use of information technology has a negative and insignificant effect on the quality of financial report information. This research is also supported by Juwaini et al. (2022) who concluded that the use of information technology does not have a positive effect on the value of financial reporting information.

Research by Talha et al. (2022); Thottoli et al. (2022), regarding the internal control system on the quality of financial reports states that the internal control system has a significant positive effect on the quality of regional financial reports. The need for accountability according to Talha et al. (2022); Tettamanzi et al. (2022) the goal of public sector reform. Improving transparency and accountability is the key to success in building a better public economy because accountability contains the obligation to present and report, especially in the field of financial administration, to higher parties or superiors. The concept of accountability is not limited to responsibility reports only, but also includes the ease for the mandate giver to access and obtain information, both directly and indirectly, verbally and in writing. So that accountability will thrive in an environment that prioritizes openness as the basis for accountability (transparency). In
today's modern world, the use of information technology has become a necessity. Information technology can help human resources in managing finances. Even though financial reports are products produced by human resources in the accounting field, utilizing technology can minimize human error. According to Talha et al. (2022); Tettamanzi et al. (2022) the use of information technology includes (a) data processing, information processing, management systems and electronic work processes, and (b) utilization of advances in information technology so that public services can be accessed easily and cheaply by the people of the area. all regions of this country.

2 LITERATURE REVIEW

2.1 QUALITY OF FINANCIAL REPORTS

According to Tettamanzi et al. (2022) financial reports are a means of accountability for the financial performance of a government's management to the public entrusted to it. Financial reports are the final result of the accounting activity process or a summary of financial transactions. Financial reports in government organizations are assertions from government management that inform other parties (stakeholders) about the government's financial condition. The quality of a company's financial reports can be seen from how useful the information presented is and how the company can make financial reports in accordance with the conceptual framework. as well as the basic principles and objectives of accounting. According to Purwanto et al. (2022); Rezaei (2013); Roychowdhury et al. (2019) there are four main qualitative characteristics, namely as follows: relevant, reliable, understandable and comparable. Quality of Financial Reports. Ideally, the quality of financial reports is that financial reports provide an accurate picture of financial position and performance. company. The information should be useful for assessing the past and the future. The sharper and clearer the picture conveyed by financial data, and the more honest the financial reports provide an accurate picture of the company's financial position and performance. The information should be useful for assessing the past and the future. The sharper and clearer the picture of financial data, the closer it is to the truth.

2.2 INFORMATION TECHNOLOGY

According to Utomo et al. (2023); Xue et al. (2022) The use of information technology in the current era of globalization is very supportive in carrying out
organizational activities. The use of information technology is necessary for reliable financial reporting. One example of the use of technology today is computers. This computer is used as a work aid in the process of preparing village government financial reports, so that village officials are able to input data more quickly than using manual methods. Information technology functions as technology that processes and stores information and disseminates information. The process of processing transaction data and presenting financial reports can be accelerated by the use of good technology so that the value of the information contained in the financial reports is not lost (timely). According to Xue et al. (2022); Yunarsih et al. (2020) general description of any technology that helps generate, manipulate, store, communicate and convey information is called information technology. Information technology includes (mainframe, mini, micro) software, databases, networks, (internet, intranet), electronics, commerce and other types of technology. Information technology is developing rapidly and we have felt the effects, such as the ease of getting information via cell phone or the internet. Information technology is a combination of computer technology and telecommunications technology.

2.3 PUBLIC ACCOUNTABILITY

According to Abed et al. (2022); Affandi et al. (2020) accountability comes from the Latin word accomptare, which means to be responsible, namely from the basic word computere, which means to take into account. In English, it is accountability, which means responsibility or the condition of being held accountable or the condition of being asked to be held accountable. Accountability is one of the main principles of good governance apart from transparency, predictability and participation. So accountability is an important thing for an institution or government agency to do. Considering that service to the community is the main objective of every institutional activity, accountability is the institution's need for supervision from the community or related parties related to the work of the institution. Accountability includes the existence of a constitutional mechanism regarding the use of public resources and their performance. According to Banerjee et al. (2020) The application of accountability in government administration begins when preparing public service and development programs (program accountability), financing them (fiscal accountability), implementation, monitoring and assessment (process accountability) so that the program can provide optimal results or
impacts as possible in accordance with the stated targets or objectives. determined (outcome accountability). According to Androniceanu (2021);Banerjee et al. (2020);Barauskaite et al. (2021) Government administrators apply the principle of accountability in their relationships with the community/public (outwards accountability), with subordinate officials within the government agency itself (downwards accountability), and with their superiors (upwards accountability). This form of transparency in government organizations provides open and honest financial information to the public based on the consideration that the public has the right to know openly and thoroughly the government's accountability in managing the resources entrusted to it and its compliance with statutory regulations. Transparent government administration will have criteria; the existence of open accountability; accessibility of financial reports; publication of financial reports, the right to know audit results and availability of performance information

2.4 THE INFLUENCE OF THE USE OF INFORMATION TECHNOLOGY ON THE QUALITY OF FINANCIAL REPORTS

Research conducted by Affandi et al. (2020);Al-Okaily et al. (2023);Androniceanu (2021) which shows that the use of information technology has a positive and significant effect on the quality of financial reports. Another research on information technology on the quality of financial reports is Banerjee et al. (2020);Barauskaite et al. (2021) research which states that the use of information technology has a significant positive effect on the quality of financial reports. According to Affandi et al. (2020); Androniceanu (2021);Banerjee et al. (2020) states that the use of information technology has a positive and significant effect on the quality of financial reporting information. Research conducted by Banerjee et al. (2020);Barauskaite et al. (2021) concluded that the use of information technology has a significant positive effect on the quality of financial reports in local governments. Research by Banerjee et al. (2020);Barauskaite et al. (2021)which states that the use of information technology has a significant positive effect on financial reporting information in the government According to Barauskaite et al. (2021) it can be concluded that the higher the use of information technology, then the quality of financial reports will also be higher and the use of information technology will also really help speed up the process of processing
transaction data and presenting regional government financial reports. Based on the description above, the following hypothesis can be built:

\[ H1: \text{The use of information technology has a positive effect on the quality of financial reports} \]

2.5 THE INFLUENCE OF PUBLIC ACCOUNTABILITY ON THE QUALITY OF FINANCIAL REPORTS

The financial management accountability variable has a positive and significant effect on the quality of financial reports. High accountability in financial management is expected to increase public trust in the government so that it can create a good investment climate. The results of this research are in line with previous research conducted by Juwaini et al. (2022); Ma et al. (2021); Marwanto et al. (2023) that accountability in financial management has a positive and significant relationship to the quality of financial reports. By implementing the principle of accountability as the obligation of the fiduciary to provide accountability, present, report and disclose (disclosure) all activities and activities that are their responsibility to the fiduciary who has the right and authority to hold them accountable then The quality of regional government performance, both from a financial perspective, can improve and become better in order to encourage the realization of good governance. According to Breijer et al. (2022); Dewi et al. (2020); Desky et al. (2020) Accountability relates to the obligations of government institutions and the officials who work within them to make policies and take action in accordance with prevailing values and community needs. Public accountability requires clear task boundaries and efficiency from bureaucratic officials so that goals can be achieved. Accountability is a form of obligation to account for the success or failure of implementing the organization's mission in achieving predetermined goals

Based on the description above, the following hypothesis can be built:

\[ H2: \text{Public Accountability has a positive effect on the quality of financial reports} \]

3 METHOD

This type of research is classified as quantitative research. Quantitative research is research that emphasizes testing theory - by measuring research variables based on the philosophy of positivism, studying a certain population or sample, collecting data using research tools, analyzing quantitative/statistical data with the aim of testing a given
hypothesis. Research data was obtained by distributing an online questionnaire designed using a Likert scale of 1 to 7. The independent research variables were the use of information technology and public accountability. The research sample was 450 government employee respondents. These respondents are known to know best and assess the quality of financial reports. Data analysis used partial least squares (PLS) structural equation modeling (SEM) with SmartPLS 3.0 software tools. The data analysis stage is to assess the validity and reliability of a construct. The tests carried out are Convergent Validity, Discriminant Validity, Cronbach's Alpha and Composite Reliability. The Structural Model (Inner Model) is a measurement to evaluate the level of accuracy of the model in research, the tests carried out are R-Square, F-Square and Path Analysis.

The hypothesis of this research is

H1: The use of information technology has a positive effect on the quality of financial reports

H2: Public Accountability has a positive effect on the quality of financial reports

![Fig 1. Research Model](image)
4 RESULT AND DISCUSSION

4.1 CONVERGENT VALIDITY

Testing the Convergent Validity of each construct indicator, an indicator is said to have good reliability if its value is greater than 0.70, while factor loadings of 0.50 to 0.60 can be considered sufficient. Based on this criterion, if the factor loading is below 0.50, it will be dropped from the model.

4.2 DISCRIMINANT VALIDITY

Theoretically it must be different. Discriminant validity is also part of the outer model. The requirement to fulfill discriminant validity is that an indicator is declared valid if it has the highest loading factor on the targeted construct compared to the loading factor on other constructs. Another method to see discriminant validity is to look at the square root of average variance extracted (AVE) value of each construct with the correlation between the construct and other constructs in model, if the root value of AVE is greater than the highest value of the correlation between the constructs then it is said to have a good discriminant validity value.
### Table 1. Reliability Test Cronbach’s alpha

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>0.932</td>
<td>0.923</td>
<td>0.901</td>
</tr>
<tr>
<td>Public Accountability</td>
<td>0.912</td>
<td>0.925</td>
<td>0.943</td>
</tr>
<tr>
<td>Financial report</td>
<td>0.943</td>
<td>0.901</td>
<td>0.934</td>
</tr>
</tbody>
</table>

Source: Prepared by the author (2023)

### 4.3 COMPOSITE RELIABILITY

Composite reliability testing aims to test the validity of the instrument in a research model. If all latent variable values have composite reliability and Cronbach alpha values ≥ 0.7, this means that the construct has good reliability or the questionnaire is used as a tool in research, this has been reliable or consistent.

### Table 2. Reliability Test AVE

<table>
<thead>
<tr>
<th>Variable</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>0.776</td>
</tr>
<tr>
<td>Public Accountability</td>
<td>0.798</td>
</tr>
<tr>
<td>Financial report</td>
<td>0.614</td>
</tr>
</tbody>
</table>

Source: Prepared by the author (2023)

### 5 HYPOTHESIS TESTING

In hypothesis testing it can be seen from the t-statistic values and probability value. To test the hypothesis, namely by using statistical values, for alpha 5% the t-statistic value used is 1.96. So the criteria for accepting/rejecting the hypothesis are that Ha is accepted and H0 is rejected when the t-statistic is > 1.96. To reject/accept the hypothesis using probability, Ha is accepted if the p value <0.05

### Table 3. Hypothesis Testing

<table>
<thead>
<tr>
<th>Correlation</th>
<th>T Statistics</th>
<th>P Values</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>The use of information technology -&gt; the quality of financial reports</td>
<td>5.741</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>Public Accountability -&gt; the quality of financial reports</td>
<td>5.652</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Source: Prepared by the author (2023)
The Relationship between the Use of Information Technology and the Quality of Financial Reports

Based on structural equation modeling analysis, the p value is 0.00 < 0.050 and the path coefficient is positive so that there is a positive and significant relationship between information technology and the quality of financial reports. According to Juwaini et al. (2022) that the use of information technology has a positive and significant effect on the quality of financial reports. Another research on information technology on the quality of financial reports Breijer et al. (2022) research which states that the use of information technology has a significant positive effect on the quality of financial reports. According Ma et al. (2021); Marwanto et al. (2023) states that the use of information technology has a positive and significant effect on the quality of financial reporting information. Research conducted by According to Breijer et al. (2022) concluded that the use of information technology has a significant positive effect on the quality of financial reports in local governments. Research by Juwaini et al. (2022); Marwanto et al. (2023) who stated that the use of information technology has a significant positive effect on financial reporting information to the government. The influence of the use of information technology is significant on the quality of financial reports, meaning that the increasing use of information technology is not accompanied by a decline in the quality
of financial reports. It can be justified that the use of information technology implemented is thought to be not optimal. The lack of optimal use of information technology can be caused by the lack of ability of L management to carry out technological and information transformations to support their operational activities so that the financial information produced is not yet effective and efficient as a reflection of the quality of financial reports. The results of this research are in line with the research results of According to);Ma et al. (2021);Marwanto et al. (2023)which state that the use of information technology does not have a significant effect on the quality of financial reports.

The Relationship between Public Accountability and the Quality of Financial Reports

Based on the structural equation modeling analysis, the p value is 0.00 < 0.050 and the patch coefficient is positive so that there is a positive and significant relationship between financial accountability and the quality of financial reports. Based on the results of hypothesis testing, it can be concluded that the financial management accountability variable has a positive and significant effect on the quality of financial reports. This means that the more accountable financial management and financial reporting, the more performance will improve. High accountability in financial management is expected to increase public trust in the government so that it can create a good investment climate. The results of this research are in line with previous research conducted by According to Juwaini et al. (2022);Ma et al. (2021);Marwanto et al. (2023)that accountability in financial management has a positive and significant relationship to local government performance. According to Breijer et al. (2022);Dewi et al. (2020);Desky et al. (2020);Erin et al. (2022) by implementing the principle of accountability as the obligation of the fiduciary to provide accountability, present, report and disclose (disclosure) all activities and activities that are their responsibility to the fiduciary who has the right and authority to hold accountable, quality will be achieved. The performance of local governments, both from a financial perspective, can improve and become better in order to encourage the realization of good governance.

It is believed that the implementation of accountability will be able to improve the performance of government organizations. Accountability relates to the obligations of government institutions and the officials who work within them to make policies and take action in accordance with prevailing values and community needs. Public accountability
requires clear task boundaries and efficiency from bureaucratic officials so that goals can be achieved.

6 CONCLUSION

Based on the results of the analysis, it was found that the use of information technology had a positive effect on the quality of financial reports. Public Accountability had a positive effect on the quality of financial reports. Based on the results of hypothesis testing, it can be concluded that the financial management accountability variable has a positive and significant effect on the quality of financial reports. This means that the more accountable financial management and financial reporting, the more performance will improve. High accountability in financial management is expected to increase public trust in the government so that it can create a good investment climate. It is believed that the implementation of accountability will be able to improve the performance of government organizations. Accountability relates to the obligations of government institutions and the officials who work within them to make policies and take action in accordance with prevailing values and community needs. Public accountability requires clear task boundaries and efficiency from bureaucratic officials so that goals can be achieved. The use of information technology has a positive and significant effect on the quality of financial reports and the use of information technology has a significant positive effect on the quality of financial reports. Information technology functions as technology that processes and stores information and disseminates information. The process of processing transaction data and presenting financial reports can be accelerated by the use of good technology so that the value of the information contained in financial reports is not lost.
REFERENCES


