

The Model Of Government Management Health Report Quality In Banten

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ABSTRACT

The motive of this observetested the have an effect on of 3impartial variables: the position of the provincial inner auditor, organizational subculture and managementfashion of inner auditors at thebased variable, specifically the provincial economicassertionexcellent. The kind of this studies is speculation testing. The pattern of research are auditors on the Provincial Inspectorate which has truereviews at their economic statements, that has unqualified reviews, and certifiedreviews. The studiesinformation is taken from the questioner furnished to the studies population. The informationseriesapproachchanged into spreading the questioner throughpublish and direct passed to the 146 human beings of the respondent and the respondent patternchanged into taken changed into random. The effects of this studiesdisplay that the inner auditor's positionin my opinionoffersnice and greathave an effect on to the excellent of economic statements); organizational subcuturedelivernice and greathave an effect on to the excellent of economic statements), and managementfashionoffersnice and greathave an effect on to the excellent of economic statements). On the realizationconcurrently the inner auditor's position, organizational subculture, and managementfashionhave an effect on the excellent of economic statements.

Keyword: Internal Auditors Role, Organizational Culture, Leadership Style, and Quality of Provincial Government's Financial Statement, Health report

INTRODUCTION

Regional governments in the territory of the Republic of Indonesia are currently facing increasing demands for the implementation of public sector accountability towards the realization of good governance in Indonesia, which is partly triggered by the fact that the economic crisis is caused by poor management and bad bureaucracy(Noor 2011b). Public sector accountability is related to transparency practices and providing information to the public in the context of fulfillingpublicrights. Whereasgoodgovernancec anbeassessedbylookingatthe qualityofgovernmentfinancialstatementsasmeas uredbytheauditor'sopinion.Regional financial health reports are one form of accountability of financial managers, in thiscase,thelocalgovernment.Suchaccountability mustbedisclosedtransparently so that it truly reflects accountability, which is assessed by BPK-RI as an external auditor.(Noor 2011a). The number of studies that pay attention to the issue of the presentation of government financial health reports is partly due to the frequent occurrence of the phenomenon of government financial statements that obtain adverse opinion and disclaimer because the preparation is not by existing standards and does not meet the adequacy of disclosure

(Limakrisna, Noor, and Ali 2016). (Noor 2020a)shows that users perceive the internal audit department that health reports to senior management as lessabletoprotectagainstfraudinfinancialhealth reportingcomparedto(1)thein-house department that health reports directly to the audit committee, and (2) the audit team outsourced internal health reporting to the auditcommittee.

The influence of the role of internal auditors on the presentation of regional government financial health reports was also appointed as the main theme of the study, given the last few years by referring to the Minister of Domestic Affairs Regulation No. 4 of 2008 concerning Guidelines for Reviewing Implementationof Regional Government Financial Statements, the Regional Inspectorate has additional duties, namely reviewing the financial statements of local governments. Thus,theRegionallInspectorateisobligedto believe thattheregionalgovernment's financial health reports are by Government Accounting Standards, but on the other hand, thereareoftencontradictionsbetweenthe reviewre sultspresentedbytheRegional Inspectorate with the results of audits conducted by BPK-RI related to the presentation of financialstatements.

In carrying out its roles and functions, the internal auditor initially acts as a watchdog, which usually produces suggestions/recommendations that have a short-term impact. Along with the demands of current conditions, internal auditors must also focus their activities to provide added value, namely in the form of consulting activities, and further enhance their role as catalysts in organizational change (agent of change) which focuses on achieving organizational goals in the long term.

Organizational culture in an internal audit institution is also considered to influence the quality of the financial statement presentation of the organization concerned. Organizational culture is directly proportional to good corporate governance (GCG), which has not been fully implemented bearing in mind that there is still the management of an organization that is not by the demands of the public (public) today. Adequate management is reflected in the fairness of the organization's financial statements, so it can be said that the indication of achieving GCG can be seen from the quality of the financial statements. Thus, the quality of financial statements is also influenced by organizational culture. The influence of organizational culture on organizational performance is an observation made by (Noor 2020b).

The inadequate quality of the presentation of government financial statements assessed by internal auditors through a review process was also triggered by the leadership style adopted in the government internal audit institutions concerned. The leadership style is one of the factors that influence the satisfaction and behavior of auditors in carrying out their activities (Noor 2017), which in turn has an impact on the review output that results. Leadership style (leadership style) is considered to influence the role of internal auditors manifested in its performance (Roldan and Dickerman 2020). Related to the role of auditors as human resources in an audit institution, (Reid 2013) revealed that human resources can be a problem for organizations when their potential is not optimally developed.

The results of previous studies are motivating factors to reaffirm whether the role of internal auditors has a positive and significant influence on the presentation of government financial statements (Noor 2011b). This study was also conducted to reaffirm the results of testing the leadership style variables (Roldan and Dickerman 2020) and organizational culture variables (Sun

2009) on the quality of financial statements.

The difference between previous research lies in the scope of the variables

and the object of the study. This study limited to auditors who work in the provincial inspectorate office.

Based on the above hassle limitation, the subsequent topics may be formulated as follows:

(1) Does the function of presidency inner auditors impact the first-rate of authorities monetary statements?; (2) Does the way of life of the organization have an effect on the first-rate of presidency monetary fitness reports?; (three) Does the management fashion within the inspectorate organization impact the first-rate of authorities monetary fitness reports?; and (four) Does the function of inner auditors, organizational way of life and management fashion concurrently impact the first-rate of presidency monetary statements?.

By the formula of the trouble and the scope of the studies this is constrained to the scope of the provincial authorities, this look at targets to analyze: (1) Variable position of the provincial authorities inner auditor in its effect at the pleasant of the provincial authorities' economic statements; (2) The organizational culture variable of the provincial authorities inner auditor institution in its effect at the pleasant of the provincial authorities' economic statements; (three) The management fashion variable in the provincial authorities inner auditor institution in its effect on the pleasant of the provincial authorities' economic statements; and (four) Variable roles of provincial authorities inner auditors, organizational culture, and management fashion within the provincial authorities inner auditor establishments in their simultaneous influence on the pleasant of the provincial authorities' economic statements.

The operational objectives of this research are to

(1) Know at any time that an internal auditor must carry out his role when carrying out his activities to achieve an increase in the quality of the relevant government financial statements;

(2) Knowing the organizational culture that must be applied by decision-makers in the relevant government internal auditor institution to achieve organizational goals through the presentation of quality financial health reports; and (3) Knowing the leadership style that must be applied in government internal auditor institutions when conducting guidance in the framework of preparing financial health reports to be by Government Accounting Standards.

LITERATURE REVIEW

The role of the Internal Auditor

The role carried out by the internal auditor as

watchdog includes inspection, observation, calculation, checking, and re-checking activities aimed at ensuring compliance/compliance with the provisions, regulations, or policies that have been determined. This role usually results in suggestions/recommendations that have short-term impacts (Noor 2020b). While the role of consulting is contained like the internal control structure. Government Regulation Number 60 the Year 2008 where consultancy activities aim to provide added value to the organization; and evaluating (and/or evaluating) processes in the form of risk management, control, good governance (compliance, effectiveness, efficiency, and economy in operational activities); and data and information accuracy (especially financial).

Culture Organization

(Sun 2009) states that there are seven number one traits that together capture the nature of an agency's culture, specifically: (1) Innovation and threat taking, specifically the volume to which the agency encourages personnel to be revolutionary and dare to take risks .; (2) Attention to detail, is

the volume to which the agency expects personnel to reveal accuracy, evaluation and interest to details; (three) Outcome orientation, is the volume to which control makes a speciality of outcomes in preference to interest to the strategies and tactics used to attain these outcomes; (four) People oriented, is the volume to which control selections take under consideration the results of outcomes on human beings within the agency; (five) Team oriented, is the volume to which work sports are prepared round groups now no longer handiest to people to support collaboration; (6) Aggressiveness, is the volume to which human beings in the agency are aggressive and competitive to run the best organizational culture; and (7) Stability, the volume to which organizational sports emphasize the popularity quo as a evaluation to growth.

Leadership Style

According to (Roldan and Dickerman 2020), there are three types of leadership style modeling in general, namely democratic, authoritarian, and free leadership, which are shown in the following table.

Table 1. Three Leadership Styles

Autocratic	Democratic	Free control
All policy decisions are carried out by the leader.	All knowledge occurs in dialogue groups and decisions, encouragement and assistance from the leader.	Full freedom for institution or man or woman decisions, with minimal participation from the leader.
The strategies and steps of activities are dictated via way of means of superiors always so that the steps to be able to come are continually unsure to a huge degree.	Activities are discussed, preferred steps for group goals are made, and when technical instructions are needed the leader suggests two or more alternative procedures to choose from.	The various substances supplied through the chief make it always ready whilst he will provide information whilst asked. He did not take part in work discussions.
The chief generally dictates the work assignments of components and cooperation of each member.	Members are loose to work with whomever they choose and the department of duties is determined through the group.	There is without a doubt no participation of the chief in figuring out the task.

Leaders have a tendency to be "personal" of their complaint of the work of each member to distance themselves from active group participation unless they reveal expertise	The chief is the item or "fac-minded" in his reward and grievance and attempts to be a regular member in soul and spirit with out doing lots work.	Sometimes contributors spontaneously remark on contributors' sports or questions and do not intend to choose or regulate events.
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Sources: Hersey & Blanchard (1998), Management of Organizational Behavior, Sixth Edition, Prentice-Hall New York, p. 125.

Quality of Government Financial Statements

(Noor 2011a) defines 15 dimensions of information high-satisfactory which might be grouped into 4 classes, namely: (1) Intrinsic high-satisfactory: accuracy, objectivity, believability, and reputation; (2) Quality of accessibility: get right of entry to and security; (3) Contextual high-satisfactory: relevance, added value, timeliness, completeness and quantity of data; and (4) Quality of representation: interpretation, convenience, understanding, concise representation, and constant representation.

Accounting records in authorities economic statements ought to meet numerous qualitative characteristics, specifically normative measures that want to be realized in accounting records so that they can meet their objectives, as required via way of means of Government Regulation No. seventy one of 2010 regarding Government Accounting Standards, specifically: (1) Relevant, i.e. if the records has benefited via way of means of the moves taken via way of means of customers of economic statements; (2) Reliable, i.e. records is extraordinarily depending on the ability of records to provide pretty the scenario or occasion this is provided with the real scenario. The reliability of records will fluctuate depending on the level of the user, level of understanding of the rules and requirements used to provide the records. Information is stated to be reliable if.

METHODOLOGY

The population in this study is the entire Inspectorate of Banten Province which is an institution/place of work for internal auditors/regional governments in the Banten province area. Determination Techniques. The sample chosen was Convenience Sampling, i.e. the sample chosen with consideration of convenience. Total respondents reached 146 people. Questionnaires to respondents were submitted through the head of the relevant

APIP and / or through the auditor coordinator when the researcher conducted an examination or was a resource person in the province.

RESULT AND DISCUSSION

Hypothesis Testing, including correlation significance test, correlation significance test, regression significance test, test results, and coefficient of determination. The correlation significance test shows that the value of $F_{table} = F_{0.05; 3; 119} = 2.68$. Because the value of $F_o = 49.162 > F_{table} = 2.68$, it is significant and H_o is rejected. Medium Partial Correlation Test generally shows positive weak, direct and significant between X and Y, namely between X1 and Y of 0.309 with a probability of significance of $0.001 < 0.05$; between X2 and Y of

0.195 with a significant probability of $0.032 < 0.05$; and between X3 and Y is 0.488 with a significant probability of $0.000 < 0.05$. The significance test of multiple regressions shows that the effect of X1, X2, X3, partial on Y, is positive. The results of testing the hypothesis by t-test statistics with t-tables and with the probability of signs indicate a positive effect of X1, X2, X3, on Y is significant. This result is consistent with the results of the partial correlation test above. Furthermore, the magnitude of the contributions of X1, X2 and X3 together in explaining the variability of Y as measured by the coefficient of determination (R^2) shows an Adjusted- R^2 value of 0.542, meaning that the contribution of variables X1, X2, and X3 together in explaining the Y variability of 54, 20% and the remaining 45.80% is explained by other variables not included in the model.

The role of the Internal Auditor has a positive and significant influence on the Quality of Government Financial Statements, namely the role of the Watchdog and the role of a Consultant. Organizational Culture that has a positive and significant influence on the Quality of Government Financial Statements is an

organizational culture that has aspects of Aggressiveness and Stability. Leadership Style Indicators that have a positive and significant influence on the Quality of Government Financial Statements are leadership styles that are characterized by Democratic and Free Control.

The outcomes of this examine are in line with findings (Ongkowijoyo, 2009; Simbolon, 2010 in Alexander Zulkarnain, 2011) that the position carried out via way of means of internal auditors as watchdogs include inspection, observation, calculation, take a look at and re-take a look at sports aimed toward ensuring compliance/compliance with rules, rules or guidelines which have been set. This position typically outcomes in suggestions/recommendations that have short-term impacts, in line with the pleasant of economic facts recommend via way of means of Huang, et al. (1999) in Lillrank (2003) defines 15 dimensions of facts pleasant that are grouped into four classes, particularly: (1) Intrinsic pleasant: accuracy, objectivity, believability, and reputation; (2) Quality of accessibility: get entry to and security; (three) Contextual pleasant: relevance, brought value, timeliness, completeness and quantity of data; and (four) Quality of representation: interpretation, convenience, know-how, concise representation, and constant representation. Accounting facts in authorities economic statements need to meet several qualitative characteristics, particularly normative measures that want to be realized in accounting facts as a way to meet their objectives, as required via way of means of Government Regulation No. 71 of 2010 regarding Government Accounting Standards, particularly: (1) Relevant, i.e. if the facts has benefited via way of means of the movements taken via way of means of customers of economic statements; (2) Reliable, i.e. facts is highly depending on the capping potential of facts to offer pretty the state of affairs or occasion this is provided with the real state of affairs. The reliability of facts can be different, relies upon on the extent of the user, the extent of know-how of the rules, and requirements used to offer the facts. Information is stated to be dependable if: verifiable, Neutral, representational faithfulness, can be in comparison and might be understood.

CONCLUSION

(1) The role of the Internal Auditor partially has a significant positive relationship and influence on the quality of government financial statements. This significant influence mainly comes from the role of the internal

auditor as a watchdog, as well as the role of a consultant. (2) Organizational Culture partially has a significant positive relationship and influence on the quality of government financial health reports, which among others are reflected in terms of transparency and accountability, which is also a principle of Good Corporate Governance (GCG), especially in maintaining the characteristics of aggressiveness and stability aspects. ; (3) Partial Leadership Style also has a significant positive relationship and influence on the quality of government financial health reports, especially on the leadership style with democratic type and free type of control; and (4) simultaneously the role of the Internal Auditor, Organizational Culture, and Leadership Style has a significant positive relationship and influence on the Quality of Government Financial Statements. Therefore, to improve the quality of financial statements, efforts must be made to increase the role of internal auditors, improve organizational culture, and apply conducive leadership styles simultaneously.

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