



Analysis Of Factors Affecting The Quality Of Development Of Regional Income And Expenditure Budgets, Deli Serdang Regency

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ABSTRACT

This study aims to determine and analyze the effect of Information Technology Utilization and Human Resource Competence on the Quality of Regional Revenue and Expenditure Budgeting. This type of research is causal and the object of this research is Deli Serdang Regency. The data used is primary data obtained from a questionnaire with a total sample of 62 respondents. Research data Using a quantitative approach and data analysis using a simple regression analysis model. The results of the study indicate that the use of Information Technology and Human Resource Competence has a partial effect on the quality of the preparation of the Regional Revenue and Expenditure Budget.

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1. Introduction

The implementation of regional autonomy has resulted in the dynamics of the development and improvement of financial and accounting systems in regional governments towards more transparent and accountable financial management (Verasvera, 2016). Several regulations that have been issued by the central government, such as Law no. 17 of 2003 concerning State Finance, Law no. 32 and 33 of 2004 concerning Regional Autonomy, as well as several other laws and regulations that regulate various regional and central financial management.

The Deli Serdang district government is one of the public sector organizations in North Sumatra Province that has implemented economic policies that focus on more dynamic and progressive economic growth. In this case, the Deli Serdang district government is obliged to provide services to increase the welfare and prosperity of the Deli Serdang district community, both in the management of regional finances and their use which must be aimed at development. Deli Serdang is an autonomous region. Therefore, the Deli Serdang district government must be transparent and accountable, so the government is obliged to implement a systematic financial management in order to create effectiveness and efficiency.

Deli Serdang district government in planning the budget is handled by the regional finance agency (BKD). Regional Revenue and Expenditure Budget (APBD) funds obtained through the community and used for community welfare through useful activities. The use of the budget must also be used effectively and efficiently so that all community needs can be met. Therefore, the preparation of the budget must prioritize the community.

Understanding the quality of APBD preparation when referring to the best model, there is no one model that can be said to be of the highest quality. The quality of APBD preparation should prioritize several factors, namely efficiency, effectiveness, economy, equity, accountability and responsiveness.

The research conducted by Diastuti (2017) on the title of the analysis of the factors that influence the implementation of performance-based budgeting (study on regional apparatus organizations in Boyolali Regency) has the result that HR, organizational commitment, rewards and sanctions affect the implementation of performance-based budgeting. Meanwhile, leadership style has no effect on the implementation of performance-based budgeting. Contrary to the results of research conducted by Pradana, et al. (2014) which examined the determinants of performance-based budget implementation of the Public Service Agency (At Semarang State University). Multiple regression analysis shows that the

availability of human resources, organizational commitment, leadership style, remuneration and punishment have no effect on the implementation of performance-based budgeting.

Wandari, et al. (2015) conducted a case study research on budget performance with the value for money concept in Government Agencies in Buleleng Regency. From multiple regression analysis, it can be concluded that accountability, transparency, timeliness, internal control have a positive and significant effect on budget performance with the concept of value for money. While Asrida (2012) on the results of research on the performance of budgeting at the Bireuen Regency Government. From multiple regression analysis it can be concluded that the accountability variable has more influence on performance when compared to the financial transparency variable.

Nawastri (2015) conducted a case study research on the effectiveness of the implementation of performance-based budgeting in the Grobogan District Government. From multiple regression analysis, it can be concluded that human resource competence, information, budget use, and leadership style have a positive effect on the effectiveness of performance-based budgeting. Meanwhile, Riandani's research (2017) entitled the influence of human resource competence, use of information technology, and internal control on the quality of financial reports (Empirical Study on SKPD Kab. Limapuluh Regency) shows that the use of information technology has no effect on the quality of financial reports..

The preparation of the APBD of all regions in Indonesia refers to the Regulation of the Minister of Home Affairs (Permendagri) Number 33 of 2019 concerning Guidelines for the Preparation of Regional Revenue and Expenditure Budgets (APBD). In this Permendagri, the schedule for the preparation of the APBD normatively can be examined in the following scheme. In one fiscal year, from January to December, APBD preparation activities must take place according to the existing schedule. The APBD begins with the implementation of the Musrenbang, then is formulated in the General Budget Policy (KUA) – Provisional Budget Priorities and Ceilings (PPAS) and ends with the ratification of the RAPBD to become APBD through the plenary session of the DPRD concerned.

Utilization of information technology for acceleration and development in the completion of tasks, especially in the process of preparing regional revenue budgets, is very important. Information technology is used to process, process, obtain, compile, store, manipulate data in various ways in order to produce quality information, the results of which are relevant, accurate and timely information for personal, business and government organizations, which are information that is strategic decision making (Sutabri, 2012). Information technology includes hardware and software in computers, various office equipment in the form of electronics, factory equipment to telecommunications (Mulyadi, 2014).

The definition of human resource competence according to Emilda Ihsanti (2014) is the ability of a person or individual in an organization to carry out their functions or authorities to achieve goals effectively and efficiently. Meanwhile, Mangkunegara (2012) argues that human resource competencies are competencies related to knowledge, skills, abilities and personality characteristics that have a direct impact on performance.

The characteristics of human resources according to Sedarmayanti (2014) are as follows. Includes knowledge of financial accounting and other related sciences, knowledge of business and organizational activities. Skills, Covers technical and functional skills, intellectual skills, organizational skills, personal skills, communication skills and intrapersonal. Attitude, Having a commitment to the public interest and sensitivity to social responsibility, self-development and continuous learning, being reliable, responsible, punctual and respectful, obeying applicable penalties and regulations.

2. Research Methods

a. Variable Operational Definition

No	Variable	Definition	Indicator	Scale
1.	Quality of APBD Preparation (Y)	The quality of APBD preparation is an activity carried out normatively	1. economy 2. efficiency 3. effectiveness 4. equity (fairness) 5. accountability 6. responsiveness	likert

No	Variable	Definition	Indicator	Scale
2.	Utilization of Information Technology (X1)	Utilization of information technology for acceleration and development in completing tasks, especially in the process of preparing regional revenue budgets, is very important	1. Input technology 2. Output technology 3. Software technology 4. Storage technology 5. Communication technology 6. Processing machine	likert
3.	HR Competency (X2)	HR competence is a person's ability to carry out work, both duties and responsibilities obtained through education, training and experience.	1. Knowledge 2. Skills 3. attitude	likert

b. Population, Sample and Sampling Technique

The population in this study were all accounting entities within the Deli Serdang Regency Government, totaling 31 Regional Apparatus Organizations (OPD) and a sample of 62 people. The sampling technique used in this study was saturated/census sampling.

c. Data analysis technique

This research uses data analysis with Partial Least Square (PLS) approach. Where PLS is an equation model of Structural Equation Modeling (SEM) based on variables or components. PLS is an alternative approach that shifts from a covariance-based SEM approach to a variance-based approach (Ghozali and Latan, 2015). This research was conducted using Smart PLS V.3.0 software which was run on computer media.

A hypothesis is a statement about the population that needs to be tested for truth. To perform the test, it is done by taking a sample from the population, this method is easy to compare with counting all members of the population. After getting statistical results from the sample, these results can be used to test the population statement, whether the empirical evidence from the sample supports or rejects the statement about the population. The whole process is known as hypothesis testing.

Testing the hypothesis can be seen from the t-statistic value to show the level of significance. For hypothesis testing using statistical values, for alpha 5% the t-statistic value used is greater than 1.96 through the bootstrapping process. So that the criteria for acceptance/rejection of the hypothesis are that H_a is accepted and H_0 is rejected when the t-statistic > 1.96. To reject / accept the hypothesis using probability then H_a is accepted if the p value < 0.05.

$$Y = b_1 X_1 + b_2 X_2 + e$$

Where :

$b_1, 2$	= path coefficient
X_1	= HR Competence
X_2	= Utilization of Information Technology
e	= Error

3. Result and Discussion

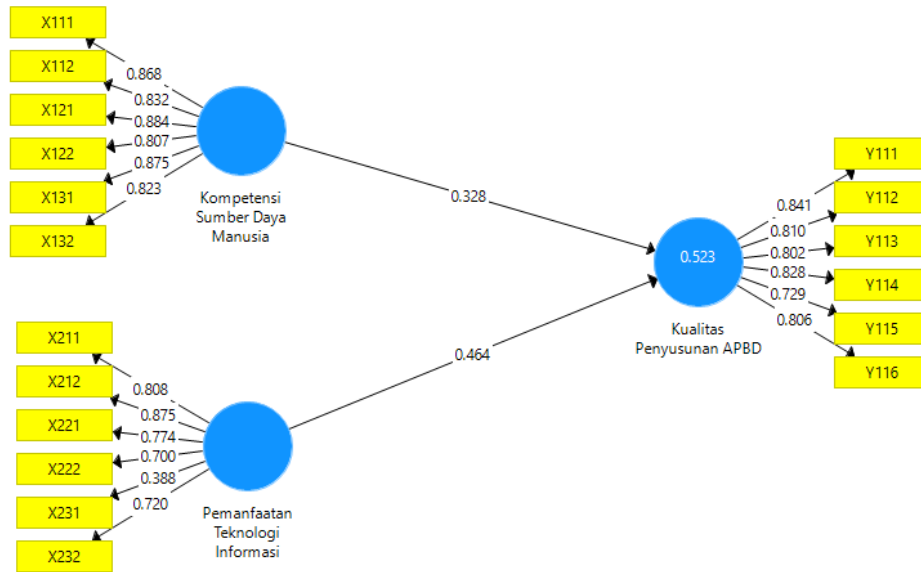


Figure 1. PLS Algorithm Calculation Output Display
Source: PLS Output

From the output of the analysis, the measurement model (outermodel) can be evaluated, namely by testing convergent validity, discriminant validity and reliability.

Table 1.
Reliability Test Results

Construct Reliability and Validity

Matrix	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Kompetensi Sumber Daya Manusia	0.923	0.932	0.939	0.720
Kualitas Penyusunan APBD	0.890	0.892	0.916	0.645
Pemanfaatan Teknologi Informasi	0.812	0.846	0.866	0.529

Table 2.
R-Square Test Results

R Square

Matrix	R Square	R Square Adjusted
	R Square	R Square Adjusted
Kualitas Penyusunan APBD	0.523	0.507

Based on Table 5.13, the R-Square in the model is 0.523, meaning that Motivation* HR competency, Motivation* Transparency, Motivation* Utilization of Information Technology is able to explain the Quality of Preparation of Regional Revenue and Expenditure Budgets by 52.3%, this is because the R-square value is more greater than 50%, if the R-square is below 50% then the independent variable is said to be less able to explain the dependent variable. The remaining 47.7% is influenced by other variables not included in the research model such as government policies, and others.

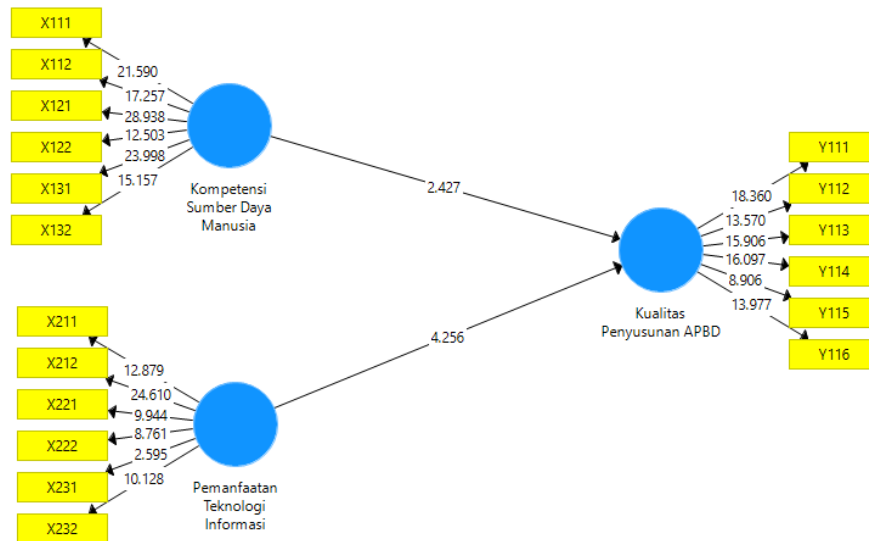


Figure 2. PLS Algorithm Calculation Output Display After Reduction Quality of APBD
 Preparation = $0.328 \text{Human Resources Competence} + 0.464 \text{Utilization of Information Technology}$

It is known that the coefficient value of the Human Resource Competence variable is 0.328, which is positive, meaning that every increase in the value of Human Resource Competence by one unit will increase the value of the variable Quality of Regional Revenue and Expenditure Budgeting by 0.328% with the assumption that the variables in the model are fixed. This value can be interpreted as the Human Resource Competence variable has a positive effect on the Quality of Regional Revenue and Expenditure Budgeting.

Score the coefficient of the Information Technology Utilization variable is 0.464, which has a positive value, meaning that each increase in the value of Information Technology Utilization by one unit will increase the Quality of Regional Revenue and Expenditure Budgeting by 0.464% with the assumption that the variables in the model are fixed. This value can be interpreted as the variable of Information Technology Utilization has a positive effect on the Quality of Regional Revenue and Expenditure Budgeting.

Table 3.
 Value-t-statistics

Exogenous	-->	endogenous	Path Analysis	T Statistics	P Values	Conclusion
Human Resources Competence (X1)	-->	Quality of Regional Revenue and Expenditure Budgeting (Y)	2,427	2,427	0.016	Received
Utilization of Information Technology (X2)	-->	Quality of Regional Revenue and Expenditure Budgeting (Y)	4,256	4,256	0.000	Received

Source: research results, 2022 (data processed using SmartPLS)

1. The Human Resources Competency Variable has no influence on the Quality of Regional Revenue and Expenditure Budgeting. This can be seen from the statistical t value of 2.427 and p-value of 0.016. Because the t-statistic value is more than 1.99 and p-value < 0.05, the hypothesis is accepted, meaning that Human Resource Competence has a significant effect on the Quality of Regional Revenue and Expenditure Budgeting.
2. The variable of Information Technology Utilization has no influence on the Quality of Regional Revenue and Expenditure Budgeting. This can be seen from the t-statistical value of 4.256 and p-

value of 0.000. Because the t-statistic value is less than 1.99 and p-value <0.05, the hypothesis is accepted, meaning that the use of Information Technology has a significant effect on the Quality of Regional Revenue and Expenditure Budgeting.

The Influence of Human Resource Competence on the Quality of Regional Revenue and Expenditure Budgeting

Competence is the ability of a person who makes performance in carrying out the tasks and responsibilities assigned to be the basis of adequate education, training and experience. In competence, levels are needed to determine the expected level of performance in both good and average categories. Determination of competence can certainly be used as the basis for the selection, planning, evaluation and development of human resources. The test results in this study indicate that the competence of human resources has no significant effect on the quality of the preparation of the APBD. This shows that the first hypothesis in this study was rejected.

The results of this study are not in accordance with the existing theory, where the implications of signaling theory have a positive impact. This proves the still low competence of the Deli Serdang district government's human resources regarding the preparation of the APBD so as to produce a quality APBD. This study contradicts the results of research conducted by Raja (2017) who found that human resource competence has an influence on the quality of financial reports. While the results of this study are in line with the results of research conducted by Riandani (2017) on the research on the effect of HR competence. The use of information technology does not affect the quality of financial reports.

The Effect of Information Technology Utilization on the Quality of Regional Revenue and Expenditure Budgeting

Utilization of information technology for acceleration and development in completing tasks, especially in the process of preparing regional revenue budgets, is very important. Information technology is used to process, process, obtain, compile, store, manipulate data in various ways in order to produce quality information, the results of which are relevant, accurate, and timely information for personal, business and government organization purposes, which is information that is strategic decision making. This shows that the first hypothesis in this study was rejected. The results of this study are in line with the results of research conducted by Riandani (2017) on research on the effect of human resource competence, use of information technology, and internal control on the quality of financial reports (Empirical Study on SKPD Kab. Limapuluh District) that the results show that the use of information technology has no effect on the quality of financial reports.

4. Conclusion

Based on the hypothesis testing and analysis described in the previous chapter, conclusions can be drawn, namely. HR competence has a significant effect on the quality of APBD preparation in the Deli Serdang Regency Government. Utilization of Information Technology has a significant effect on the Quality of APBD Preparation in the Deli Serdang Regency Government.

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