

The Role of SIMAK-BMN Literacy on the Effect of Management Application of State, Human Resource Competence, and Organizational Commitment to the Quality of Financial Reports

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KEYWORDS

BMN management, HR competence, organizational commitment, SIMAK BMN literacy, quality of financial reports

ABSTRACT

The purpose of this study aims to determine what factors can affect the quality of financial reports at the Open University. A survey approach was carried out to obtain data from 17 Central Units and 39 Regional Units at the Open University. 102 data were obtained through purposive sampling. Methods of data analysis using simple linear regression and Moderated Regression Analysis (MRA). The results of the study partially prove that BMN needs planning, BMN administration, HR competency and organizational commitment have a positive effect on the quality of financial reports and SIMAK BMN literacy moderates the influence between BMN needs planning, BMN administration, HR competence and organizational commitment on the quality of financial reports.

INTRODUCTION

Financial statements are important for companies and government agencies. Financial statements can provide an overview of the financial performance of companies / government agencies in one accounting period. In Law Number 17 of 2003 concerning State Finance requires the government to implement an accrual-based accounting system no later than five years after the law is issued Then the government issues Government Regulation Number 24 for the preparation of government financial statements. However, to the specified extent, the government has not succeeded in implementing an accrual-based accounting system as a whole, then Government Regulation Number 71 of 2010 concerning Government Accounting Standards was issued as a replacement for Government Regulation Number 24 of 2005, with the deadline for implementing the accrual-based accounting system in full postponed to 2014. The purpose of implementing accrual-based accounting is to improve the quality of presenting financial statements accurately in measuring the financial performance of government agencies. explained that the preparation of government financial statements is a manifestation of the accountability of public financial management, so that information in financial statements must have qualitative characteristics, namely relevant, reliable, comparable, and understandable.(Fahmi & Nabila, 2021a, 2021b)(Setiawan & Muslim, 2021a)

Management of State/Regional Property is regulated in Government Regulation Number 27 of 2014 concerning Management of State/Regional Property as mandated in Law Number 1 of 2004 Article 49 paragraph (6) concerning State Treasury. Government Regulation Number 27 of 2014 is the basis for Ministries/Institutions and Regional Governments in managing State/Regional Property. Along with the times, the management of State/Regional Property has become more complex and requires accommodating regulations so that State/Regional Property can be managed optimally, effectively, and efficiently by applying the principles of *good governance* to support national development. In response, the government issued Government Regulation Number 28 of 2020 concerning Management of

State/Regional Property as a complement to Government Regulation Number 27 of 2014.(belonging, in subsection, terrain, & national section, n.d.)

In essence, BMN must be presented based on actual value and circumstances so that financial statements become relevant and reliable and have an impact on the accuracy and reliability of financial statements, but in reality there are still many BMNs that are not managed properly. The results of the BPK audit of LKPP in 2020 generally stated that problems in BMN management are still always found, such as anomalous data on BMN SIMAK related to the value of fixed assets, including fixed assets with a minus acquisition value and book value, non-depreciated fixed assets. Then in inventory management, there is still no *stock-taking* on inventory and orderly inventory recording. This is in line with the statement of BPK Public Relations Member I of the Audit Board (BPK) / Head of State Financial Audit I, Hendra Susanto who stated that the results of the examination found problems that always recur every year, one of which is inaccurate BMN recording which will have implications for the quality of financial statements and emphasizes the importance of managing State Property in the management and responsibility of state finances (quoted from the page bpk.go.id/news/).

Table 1.1 BPK Audit Findings related to BMN and Inventory in the 2020 Financial Statements

Temuan BPK pada Pengelolaan Aset/BMN berdasarkan LKPP TA 2020		
Pengelolaan Aset Tetap		
1	Terdapat data anomali pada SIMAK BMN Terkait Nilai Aset Tetap	Aset Tetap dengan Nilai perolehan Minus
		Aset Tetap dengan Nilai Buku Minus
		Aset tetap dengan Akumulasi penyusutan positif
		Aset tetap yang tidak disusutkan
2	Pengelolaan Aset tetap yang tidak didukung pengendalian yang memadai	Aset Tetap tidak diketahui keberadaanya
		Aset tetap tidak didukung dokumen kepemilikan
		Aset tetap dikuasai/digunakan oleh pihak lain yang tidak sesuai dengan ketentuan pengelolaan BMN
		Terdapat KDP yang tidak mengalami mutasi dalam jangka waktu lama (KDP Mangkrak)
		Aset rusak berat belum direklas
3	Permasalahan Transaksi Transfer Masuk dan Transfer Keluar	Terdapat transaksi Transfer keluar namun tidak terdapat transaksi Transfer masuk
		Terdapat transaksi Transfer Masuk namun tidak terdapat transaksi Transfer keluar
		Terdapat transaksi Transfer Masuk dan Transfer Keluar namun terdapat selisih
Pengelolaan Persediaan		
4	Persediaan tidak dilakukan <i>stock opname</i>	
5	Pencatatan persediaan tidak tertib	

(Based on BPK LHP on FY 2020 LKPP)

Source: KPPN Tangerang

Open University is an Open and Distance State University under the coordination of the Ministry of Research and Technology and Higher Education. The Open University has 49 work units including 4 Faculties, 1 Postgraduate Program, 2 Institutes, 2 Administration Bureaus, 1 Internal Audit Unit (SPI), and 39 Distance Learning Program Units (UPBJJ) spread throughout Indonesia. The Open University is the 45th university that has been designated a Full Public Service Agency (100%) by the Ministry of Finance after meeting administrative and substantive requirements in accordance with the Decree of the Minister of Finance Number 268 of 2011 and has flexibility over financial management. Since 2012 until now, Open University has obtained an Unqualified Fair opinion from BPK on its financial statements.(Nuraeni, Kustana, & Ali, 2019a; Attack, N.D.-A; SOLIKIN & Greetings, 2021a)

Table 1.2 BPK Opinion on the Open University Financial Statements 2016-2020

Year	2016	2017	2018	2019	2020
Opinion	2016	2017	2018	2019	2020
WTP	WTP	WTP	WTP	WTP	WTP
WDP	-	-	-	-	-
Unnatural	-	-	-	-	-
Not expressing an opinion	-	-	-	-	-

Although BPK's opinion on the Open University's financial statements is Fair Without Exception (WTP), it does not mean that there are no problems in asset management. As in the report on the results of the 2020 Internal Audit Unit (SPI) examination presented at the virtual Barjas Planning, Financial Management, and Procurement Training on 12, 16, 18 and 19 August 2021 by the Open University that there are still findings, including discrepancies in the Room Item List (DBR) with physical goods, there are *idle* items unused, lack of work that is not in accordance with the procurement contract and procurement of goods not in accordance with demand.(Mulyono & Roseno, 2021; Zahra, 2022)

The emergence of problems in asset management is due to the planning of asset procurement needs is still based on budgeting from the previous year. This is supported by research that says that asset needs planning every year is always the same and needs planning that is not in accordance with price standards. The limited number of competent resources in asset management and understanding of asset management applications (SIMAK BMN) are also factors causing problems in asset management. The number of employees retiring and the absence of new employee recruitment are the main obstacles to the occurrence of employee shortages in almost all ministries/agencies (K/L). The number of employees who do not have the expected competence. Other causes are lack of organizational commitment, weak internal control, and lack of understanding of asset managers on the operation of the BMN SIMAK application, lack of coordination between asset managers both in the work unit and the local Directorate General of Treasury (DGT).(Puspita & Iskandar, 2021a)

In creating quality BMN management, it requires support from competent human resources in BMN management, good internal control and commitment from the organization to jointly realize orderly and accountable BMN management and good internal control so as to produce quality BMN reports. This statement is in line with research conducted by those who say that the competence of human resources and information technology systems has a significant effect on the quality of financial statements. In his research said that human resources and internal control have a significant effect on the quality of financial statements. Also said that asset management, the implementation of internal controls and organizational commitment have a significant effect on the quality of financial statements. However, it is different from research conducted by those who say that BMN management and human resource competence do not have a significant effect on the quality of financial statements. said that BMN management related to BMN administration does not have a significant effect on the quality of financial statements. Likewise, the research conducted said that saying that BMN management related to BMN administration does not have a significant effect on the quality of financial statements.(Setiawan & Muslim, 2021b)(Puspita, Iskandar, & Kusuma, 2021)(Scatter, 2020)(Fahmi & Nabila, 2021c; Nuraeni, Kustana, & Ali, 2019b; SOLIKIN & Regards, 2021b)(Fahmi & Nabila, 2021d)(Puspita & Iskandar, 2021b)

This research is a development of research conducted by , where in his research concluded that administration does not have a significant effect but has a positive effect on the quality of financial statements. In testing, these variables still produce data that is not significant. For this reason, it is the interest of researchers to reexamine these variables by adding human resource competence variables, organizational commitment and moderation variables, namely BMN SIMAK literacy. The difference between this study and previous research is, in this study the researcher added variables of human resource competence, organizational commitment and moderation varies, namely BMN SIMAK literacy

because researchers want to know the factors that affect the quality of financial statements and how SIMAK-BMN literacy strengthens the influence of BMN needs planning, BMN administration, human resource competence and organizational commitment on the quality of financial statements.(Attack, N.D.-B)

The management of State Property is a very interesting issue to be researched because managing BMN is not as easy as turning the palm of the hand. Based on the issue, exposure and the existence of GAP in previous studies, researchers are interested in testing it again. For this reason, this research took the title "The Role of BMN SIMAK Literacy on the Influence of BMN Management, Human Resource Competence and Organizational Commitment to the Quality of Financial Statements" at the Open University during the research period 2016-2020.

METHOD

This research is a type of causal associative research, namely research that aims to analyze the causal relationship between two or more variables with other variables (Sugiyono; 2017, p. 55). The instruments used in this study consist of independent variables, namely BMN needs planning variables, BMN administration variables, human resource competence variables and organizational commitment, and dependent variables, namely the quality of financial statements, with moderating variables (strengthening variables), namely BMN SIMAK literacy. This research was conducted at the Open University which is one of the work units of the Ministry of Education, Culture, Research and Technology.

The type of data used in this study consists of primary data and secondary data. Primary data were obtained from respondents' responses through questionnaires submitted to respondents of Power of Goods Users (KPB), Commitment Making Officers, Commitment Making Officials (PPK) of Goods and Services, Procurement Officials of Goods/Services, BMN Management Officers at the center and UPBJJ throughout Indonesia. Meanwhile, secondary data was obtained by collecting data in the form of Open University BMN report documents for the 2016-2020 period as well as other supporting data such as rules and / or standard operating procedures for BMN management.

Data analysis methods are used to obtain relevant information contained in the data and the results of the data processing can be used to answer and explain problem formulations and research hypotheses.

RESULTS AND DISCUSSION

From the results of the analysis, it shows that all variables, namely BMN needs planning, BMN administration, HR competence, and organizational commitment affect the quality of financial statements and BMN SIMAK literacy is proven to be a moderating variable of the influence of BMN needs planning, BMN administration, HR competence, and organizational commitment to affect the quality of financial statements.

The Effect of BMN Needs Planning on the Quality of Financial Statements

Based on the results of the analysis above, the calculated value is 4.985 greater than the ttable value is 1.98 with a significance value of 0.000 smaller than $\alpha = 0.05$ indicating that BMN needs planning has a significant effect on the quality of financial statements. In government institutions, BMN needs planning is an activity to formulate details of BMN needs to connect past procurement of goods with ongoing conditions as a basis for carrying out actions to meet future needs (BPPK Kemenkeu, 2011). Planning as an initial and important stage in BMN management is a very important component to realize better financial statements (Yusuf, 2015: 9). If the institution conducts planning in accordance with the identified needs, then this has an impact on the presentation of the BMN report. This is in line with the research of Hidayati, et al. (2016) proving that planning has a significant effect on the quality of financial statements. This means that the better the planning, the better the quality of government/local financial statements. Likewise, research (Evira, 2021), The results of the study show that planning has a significant effect on the fairness of the presentation of assets in local government financial statements.

The Effect of BMN Administration on the Quality of Financial Statements

The results of the above analysis obtained a calculated value of 5.724 greater than the ttable value of 1.98 and a significance value of 0.000 smaller than $\alpha = 0.05$ means that the administration of BMN has a significant effect on the quality of financial statements. Administration is a series of activities that include bookkeeping, inventory, and reporting of BMN in accordance with the provisions of laws and regulations. With the administration of BMN, it will be possible to know with certainty the value of BMN wealth, ownership status, utilization and maintenance of BMN controlled by the government. As explained above, the administration of BMN makes an important contribution in the presentation of BMN reports. At the administrative stage, the accuracy of data related to assets owned by the institution must be recorded correctly and precisely. So that this stage greatly impacts the quality of financial statements. Where we know that one of the characteristics of report quality is reliability. This is in accordance with the results of research (Poa, 2017) which states that partially, the assessment, administration, supervision and control of BMD have a positive and significant influence on the quality of local government financial statements and other research conducted (Nurpadi, Dady, and Mila Hermawati., 2021) also partially proves that the variable of Fixed Asset Administration has a positive effect on the Quality of Financial Statements.

The Effect of HR Competency on the Quality of Financial Statements

The results of the analysis above show that the calculated value is 6.293 greater than the ttable value is 1.98 and the significance value is 0.000 smaller than $\alpha = 0.05$ proving a significant influence of HR competence on the quality of financial statements. Organizational commitment is how the degree to which a member identifies himself with the organization and the organization's goals, as well as the expectations of the organization's members to stay in the organization (Robbins & Judge, 2008). Hariandja argues that human resources are one of the most important factors in a company seen from factors other than working capital. If the potential of human resources is superior, it can have an impact on the effectiveness of an institution's performance. If in managing BMN an institution has superior resources, this can have an impact on the output of that activity. The relationship with this topic is that superior resources will be able to manage BMN so that it will make a positive contribution to the resulting report. This is in line with the results of the study.

The Effect of Organizational Commitment on the Quality of Financial Statements

From the results of the statistical calculations above, the calculated value is 5.419 greater than the table is 1.98 and the significance value is 0.000 smaller than $\alpha = 0.05$, meaning that organizational commitment affects the quality of financial statements. According to Steers and Porter (1973, p. 442) organizational commitment is an attitude in which individuals identify themselves with the goals and expectations of the organization where they work and try to maintain membership in the organization to realize the goals of the organization means that employees have a commitment to be loyal, shoulder to shoulder and try to work as much as possible for organizational goals in managing BMN. With a strong employee commitment to manage BMN, it will have an impact on the quality of financial statements. This is not in accordance with the results of research conducted by (Oktavia, S., & Rahayu, S, 2019) which states that organizational commitment does not affect the quality of regional financial statements, which means that high or low levels of organizational commitment of employees cannot be used as a benchmark in producing good and quality regional financial statements in accordance with PP No. 10 of 2010 and vice versa.

The Effect of BMN SIMAK Literacy in Moderating BMN Needs Planning on the Quality of Financial Statements

This study shows that SIMAK BMN literacy moderates the influence of BMN needs planning on the quality of financial statements with a significance value of 0.000 smaller than $\alpha = 0.05$. BMN SIMAK literacy is able to increase the influence of Adjusted R2 from 0.191 (19.1%) to 0.434 (43.4%) needs planning activities which according to Government Regulation Number 28 of 2020 is to formulate details of BMN / D needs to connect past procurement of goods with ongoing circumstances as a basis for carrying out future actions without the help of SIMAK BMN literacy applications takes a long time, not optimal and efficient from the process of preparing needs to reporting BMN's balance sheet and finances. With the application of literacy in planning activities, BMN needs are much faster, accurate, relevant, and timely in accordance with organizational goals so that it has an impact on the quality of

financial statements. This is in accordance with the results of research by (Hidayat, 2016). The results of his research show that BMD planning has a significant effect on the quality of financial statements. Supported by the results of research by (Evara, 2021), the results of his research show that planning has a significant effect on the fairness of the presentation of assets in local government financial statements.

The Effect of BMN SIMAK Literacy in Moderating BMN Administration on the Quality of Financial Statements

This study shows that BMN SIMAK literacy moderates the influence of BMN administration on the quality of financial statements with a significance value of 0.000 smaller than $\alpha = 0.05$. BMN SIMAK literacy was able to increase the effect of Adjusted R2 from 0.246 (24.7%) to 0.445 (44.5%). Administration is a series of activities that include bookkeeping, inventory, and reporting of BMN in accordance with the provisions of laws and regulations. BMN bookkeeping is the activity of registering and recording BMN into the List of Goods according to classification and codification. BMN inventory is the activity of collecting, recording, and reporting the results of BMN data collection. BMN reporting is the activity of delivering data and information carried out by the BMN Administration implementation unit to Goods Users and goods managers. Reporting is carried out so that all data and information about BMN can be presented and submitted to interested parties with accuracy to support the implementation of decision making in the context of BMN management and as material for the preparation of the Central Government Balance Sheet (Rusman, 2017). This is in accordance with the results of research by (Refina, 2019) which shows that the results of this study show that there is a positive influence on the administration of state property and the application of SIMAK-BMN on the Quality of Financial Statements. With bookkeeping, inventory and reporting of BMN carried out in accordance with applicable guidelines and adequate use of SIMAK-BMN will affect the BMN reports produced.

The Effect of BMN SIMAK Literacy in Moderating HR Competence on the Quality of Financial Statements

In this study, it shows that SIMAK BMN literacy moderates the influence of HR competence on the quality of financial statements with a significance value of 0.006 smaller than $\alpha = 0.05$. BMN's SIMAK literacy was able to increase the influence of Adjusted R2 from 0.294 (29.4%) to 0.443 (44.3%). Competency is mandatory for HR in carrying out tasks with the aim of producing effective and efficient performance. HR must be able to plan or compile BMN needs, bookkeep, inventory, and make reports for those in need. This workload is not optimal and efficient if done manually while other workloads are also waiting so that problems will arise such as physical BMN data exists but in the report is not recorded, BMN that has expired is still recorded, financial statement data becomes unreliable, relevant and cannot be compared or understood. For the role of SIMAK literacy, BMN is very important in helping human resources to carry out their duties to have a good impact on financial statements. This is in line with research conducted by (Shintami Oktavia, Sri Rahayu, 2019) which shows that partially the variable of Human Resource Competence has a significant effect in a positive direction on the Quality of Regional Financial Statements, which means that the higher the level of human resource competence, the better the Quality of Regional Financial Statements. Likewise, the results of research by (Rahayu, 2014) stated that the competence of human resources has a significant effect on the quality of regional financial statements, proving that if human resources are good and competent, the quality of the financial statements produced will also be better.

The Effect of BMN SIMAK Literacy in Moderating Organizational Commitment to the Quality of Financial Statements

In this study shows that SIMAK BMN literacy moderates the influence of organizational commitment on the quality of financial statements with a significance value of 0.000 smaller than $\alpha = 0.05$. BMN's SIMAK literacy was able to increase the influence of Adjusted R2 from 0.276 (27.6%) to 0.463 (46.3%). This is different from the results of research by (SHINTAMI OKTAVIA, 2019) which shows that partial organizational commitment does not affect the quality of regional financial statements, which means that the high or low level of organizational commitment of employees at SKPD Kota Bandung, cannot be used as a benchmark in producing good and quality Regional Financial

Statement Quality in accordance with PP No. 10 of 2010 and vice versa. This is because still not all of them have heavy feelings to leave the organization due to the need to survive with cost considerations when leaving the organization, trying above normal limits to succeed the organization and not all employees who make organizational problems an employee problem and not all employees have an emotional bond with the organization or agency where employees work.

CONCLUSION

This research includes two things, namely theoretical implications and managerial implications. The theoretical implications illustrate the contribution of these findings to the development of science in general in the field of government accounting related to BMN management, HR competence, and organizational commitment with BMN SIMAK literacy as a moderation to the quality of financial statements. Managerial implications relate to management policies taken to obtain the final results of decisions applied in research methods.

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