

Improving the Quality of Financial Reports by Implementing SIMAK-BMN in KPU-RI

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Abstract—Qualified opinion (WDP) giving from BPK to National Election Commission (KPU) indicates that the fairness of financial report is still doubted. Just started in 2017 when financial reports of KPU obtains unqualified opinion (WTP). The reason of the Supreme Audit Agency (BPK) gave qualified opinion on financial reports of governments is the inventory. The property has not yet been fully supported by adequate administration, recording, and reconciliation of state-owned property. In managing state-owned property (BMN), management of state assets is very important. The government has to make policies for all central and regional ministries and institutions to control and manage the assets, the aim is to realize good governance in implementing bureaucratic reform. Accountability in the management of state-owned property is reflected in periodic and timely reporting of state-owned property, which starts with the recording, classification and reporting of user power items for the semester of the fiscal year, systematically presenting them in a set of information in accordance with the provisions. The government utilizes technology by developing a central government accounting system, the Institutional Accounting System (SAI), which consists of the Accrual Based Agency Accounting System (SAIBA) and the Management and Accounting Information System for State-owned property (SIMAK-BMN). SIMAK-BMN is a sub-system in the form of a series of interrelated procedures that produce information on fixed assets, inventories, and others for the preparation of balance sheets and reports on State-owned property and other managerial reports. This study aims to determine whether the administration of state-owned property and SIMAK-BMN implementation affect the quality of KPU (General Secretary). The result shows that they give positive effects, both partially and simultaneously.

Keywords: *state-owned property, SIMAK-BMN, KPU, opinion*

I. INTRODUCTION

State-owned property (BMN) is all goods purchased or obtained from the Indonesian Government State Budget (APBN) or derived from other legal acquisition (Law No.1 of 2004). The government must make policies for all central and regional ministries and institutions in controlling and managing the country's wealth. The aim is to realize good governance in implementing bureaucratic reform (PP No. 27 of 2014).

Reports of state-owned property produced will affect the quality of financial report of government organizations, namely

whether the reporting of state-owned property has been orderly administratively in accordance with applicable laws. If so, the financial report are valid and reliable and can be accounted for. Based on the 1945 Constitution, Article 23 paragraph (5) contains a mandate, namely to examine the responsibility regarding state finances held by a Supreme Audit Agency, the regulations of which are determined based on the Law. In this case BPK can provide 4 types of opinions, namely: Unqualified opinion (WTP), qualified opinion (WDP), Unusual Opinion (TP) or Report of refusing to give an opinion or not giving an opinion (Disclaimer).

The Office of the National Election Commission (KPU) is a government organization that in carrying out its duties and obligations requires state-owned property or assets to smooth the tasks and achieve goals. The existence of state-owned property or wealth requires good and structured management. If it is done well, it will improve the quality of the election administration.

The granting of WDP opinion from BPK indicates that it is not fully believed that financial report are fairly presented. Opinion for the 2017 financial report only gets an Unqualified Opinion (WTP). The reason for the BPK to provide fair qualified opinion with exceptions (WDP) in government financial report is that one of them is inventory. Where it has not been fully supported by adequate administration, recording, consolidation and reconciliation of state-owned goods (www.Liputan6.com).

Exceptions to the opinion of the audit findings on the 2016 KPU financial report, based on the 2017 National Election Commission's (KPU) performance report, are because the reconciliation of state-owned property in the context of the preparation of financial report is not carried out and the recording of inventory at five working units and the imposition of goods expenditure inventory in four work units has not been ordered (www.kpu.go.id).

Bookkeeping, inventory, reporting, and application of SIMAK BMN simultaneously affect the quality of financial report reports [1]. It is partially found that bookkeeping has a significant positive effect on the quality of financial reports, reporting does not have a significant effect but has a positive effect on the quality of financial reports, and SIMAK-BMN has no effect on the quality of financial reports. There is a

significant influence between the administrations of regional property on the quality of local government financial reports [2]. The administration of state-owned property has a positive and significant effect on the quality of the Government's financial reports [3].

The assessment, administration, supervision and control of BMD partially have a positive and significant impact on the quality of local government financial reports in the district [4]. BMD planning influences the quality of financial reports, BMD implementation does not affect the quality of financial reports [5].

The application of SAP, the quality of human resources, internal control systems, utilization of information technology, organizational commitment, the role of internal auditors, assets, external factors and the management of special operational funds are quality factors for financial reports [6]. Accounting information systems and the effectiveness of internal control have a relationship to the quality of financial reporting [7]. Accounting information systems are very important for preparing quality accounting information for various users [8].

Based on the description above, the author is interested in examining the administration of BMN and the application of the SIMAK-BMN whether it has a positive effect on the quality of the financial reports of the Indonesian National Election Commission (General Secretary).

II. METHODS

The research was carried out using quantitative descriptive methods and the type of data in this study came from primary data, obtained through distributing questionnaires conducted with informants from of Internal Affairs, SIMAK-BMN Operators, and the Financial Reporting Accounting Division, and internal secondary data. Variables used in this study:

- Independent variable namely the Administration of BMN and the application of SIMAK-BMN.
- Dependent variable namely the quality of the Indonesian KPU financial Reports.

Administration of State-owned property is an independent variable (X1) measured using instruments sourced from [2]. The SIMAK-BMN application is an independent variable (X2) measured using instruments sourced from [9]. The quality of the Indonesian KPU Central Financial Reports is the dependent variable (Y) measured using instruments sourced from PP No. 71 of 2010 and PP No. 60 of 2003.

Administration of State-owned property is an independent variable (X1) measured using instruments sourced from [2]. The SIMAK-BMN application is an independent variable (X2) measured using instruments sourced from DeLone and Mclean. The quality of the Indonesian KPU Central Financial Reports is the dependent variable (Y) measured using instruments sourced from PP No. 71 of 2010 and PP No. 60 of 2003.

Respondents in this study totalled 40 people who were all employees of the Office of the Indonesian National Election Commission (General Secretary). In this study, the observed characteristics are Gender, Age, Degree / Strata, Educational

Background, Length of Work, and Position. More details about the respondent's personal data can be seen in numbers and percentages.

A. Descriptive Data Analysis

Variable Quality of Financial Reports has 13 indicators consisting of 14 questions. Each report has 5 choices of answers, ranging from strongly agree to strongly disagree. Results of research on the Quality of Financial Reports at the Indonesian National Election Commission (General Secretary). The average value of respondents' reports on the Quality of Financial Reports is 3,675 and is included in the good category (3.41-4.20). Government evaluation and monitoring indicators are the most dominant indicators in the variable quality of financial reports with an index value of 3.95 and included in the high category. This condition illustrates that government monitoring in the implementation of internal control that provides continuous evaluation is quite selective in improving the quality of financial reports in the Indonesian National Election Commission (General Secretary).

Based on the results of the distribution of the questionnaire, the variable administration of state-owned property has 16 indicators consisting of 16 questions; each report has 5 answer choices. The average value of respondents' reports on the administration of state-owned property is 3.74 and is included in the good category (3.51-4.20). Information system support indicators in the management of state-owned property are the most dominant indicators in the administration of state-owned property with an index value of 3.875. This condition illustrates the support of the information system in administering state goods at the Indonesian National Election Commission (General Secretary) is sufficient.

The SIMAK-BMN Application Variable has 14 indicators consisting of 14 questions. Each report has 5 answer choices. The average value of respondents' reports on the SIMAK-BMN Application was 3.63 and included in both categories (3.51-4.20). The user satisfaction indicator is the most dominant indicator in the SIMAK-BMN application variable with an index value of 3.95. This condition illustrates the training of HR or employees at the Indonesian National Election Commission (General Secretary) on the application of SIMAK BMN that has been running regularly.

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B. Data Quality Test

Validity test shows that the calculated r value is greater than the r-table value. With this result, the questionnaire used by the administration of state-owned property variables,

SIMAK-BMN application and the quality of financial reports is declared valid as a variable measurement tool.

The reliability test was carried out using Cronbach alpha (α), which is if Cronbach alpha (α) variable > 0.60 , the questionnaire of the variable proved to be reliable or could be trusted as a variable measurement tool. Based on the reliability test results shows the value of cronbach's alpha variable administration of state-owned goods, SIMAK-BMN application, and the quality of financial report > 0.60 . This means that the questionnaire from each variable is proven to be reliable or can be trusted to be used as a measurement tool for variables.

C. Classic Assumption Test

The normality test results show the points are scattered around the diagonal line and the distribution follows the direction of the diagonal line, it shows that the distribution data is normal.

To detect the presence or absence of multicollinearity can be seen from the VIF value. Based on the results of the regression analysis with the SPSS 22 program, it is obtained tolerance values and VIF for each independent variable.

TABLE I. MULTICOLLINEARITY TEST

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Administration of State Property	,896	1,116
	Aplication of SIMAK-BMN	,896	1,116

^a. Dependent Variable: Quality of Financial Reports

The tolerance value indicates that there is no independent variable that has a tolerance value of less than 0.10, which means there is no correlation between the independent variables whose value is more than 95%. While the VIF value shows all independent variables do not have a VIF of more than 10. So it can be concluded that there is no multicollinearity between the independent variables in the regression model.

In the Heteroscedasticity test, the results of the Glacier test showed that in the regression analysis there were no symptoms of heteroscedasticity, where the significance value (p-value) of the administration of state-owned property was 0.523, the application of SIMAK-BMN was 0.71. These results clearly show that none of the statistically significant independent variables affect the dependent variable *abs_res*. It is because the probability of significance is above 0.05 or 5%.

D. Multiple Linear Regression Test

In the multiple linear regression test, it is known that there are influences of independent variables, namely administration of state-owned property (X1) and SIMAK-BMN (X2) application on the quality of financial reports (Y). The linear equation between the administration of state-owned property and the application of SIMAK-BMN is:

$$Y = 2.269 0.533X1 + 0.428X2 + e \tag{1}$$

E. Hypothesis Testing

T-test (partial) using the SPSS Ver 22 program, the variable administration of state-owned property has a tcount of 4.283 $< 1,686$ and a significant value of 0,000 $< 0,05$; then it was concluded that the hypothesis (H1) which reads "the positive influence of the administration of state-owned property on the quality of financial reports on the Indonesian Central Election Commission (General Secretary)" was accepted.

The SIMAK-BMN application variable has a t count of 4.381 > 1.686 and a significance value of 0.000 at a significance level of 0.05. It can be concluded that t arithmetic 4,381 $> 1,686$ and the probability of significance is 0,000 $< 0,05$ then the hypothesis (H2) that reads "There is an influence of the application of SIMAK-BMN application on the quality of financial reports at the Indonesian Central Election Commission (General Secretary)" is accepted.

F. F-Test (Simultant)

TABLE II. SIMULTANT TEST

ANOVA ^a						
	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	169,248	2	84,624	27,310	,000 ^b
	Residual	114,652	37	3,099		
	Total	283,900	39			

^a. Dependent Variable: Quality of Financial Reports

^b. Predictors: (Constant), Application of SIMAK-BMN, Administration of State-Owned Property

From the results of table above, the value of f-calculated $> f$ table is 27.310 > 3.25 with a significant probability of 0.000 < 0.005 . Then the H3 hypothesis which reads, "There is a positive correlation between the administration of state-owned property and the application of SIMAK-BMN to the quality of financial reports" is accepted.

G. Coefficient of Determination

TABLE III. DETERMINATION COEFFICIENT TEST RESULTS

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,772 ^a	,596	,574	1,760

^a. Predictors: (Constant), Application of SIMAK-BMN, Administration of State-Owned Property.

In table 3 the SPSS output model summary Adjusted R Square is 0.596, This explains that the ability of the variable administration of state-owned property and SIMAK-BMN application in explaining the decision on the quality of financial reports is 59.6% while the remaining 40.1% (100-59,6% = 40.1%) explained by other variables not examined in this study.

III. RESULTS AND DISCUSSION

The results of research on the administration of state-owned property and the application of the SIMAK-BMN application to the quality of financial reports at the Indonesian Election Commission (General Secretary) can be made as:

A. *The Effect of Administration on the Quality of Financial Reports*

Based on research testing the existence of a significant positive number that is $0,000 < 0.005$, it can be concluded that there is a partial influence of the administration of state-owned property on the quality of financial reports in the Indonesian Election Commission (General Secretary). This can be seen from the results of the answers regarding the responses of respondents where the average value of the percentage score for the BMN administration variable was 3.74% and included in either category. It can be interpreted that the officers related to BMN administration consisting of recording, inventory and reporting are good enough or high enough. It can also be seen in the answers of respondents related to indicators of adequate information system support in administering BMN received the most agreed answers by BMN accounting officers.

The second was followed by the results of respondents' answers regarding indicators of understanding the administration theory of BMN based on SAP in a good category because 85% gave answers "agreeing" that BMN accounting officers at the Indonesian National Election Commission (General Secretary) were competent regarding BMN administration in accordance with SAP.

The next indicator response regarding the application of SIMAK-BMN in BMN administration activities received good responses from respondents, it can be concluded that the administration of BMN has utilized the information system in the administration of state-owned property. Of course, in the utilization of information systems the recording and reporting process will be more efficient and effective, if BMN administration activities are already running well and accommodated, it will produce actual financial reports.

In accordance with the research, that partially bookkeeping, inventory and reporting shows a positive relationship direction, namely bookkeeping has a positive influence on the quality of financial reports [1]. The better administration of BMN makes the better quality of financial reports.

B. *The Application of SIMAK-BMN to the Quality of Financial Reports*

Based on testing conducted in this study, there is a significant positive number that is $0,000 < 0.005$, it can be concluded that there is a partial influence of the application of SIMAK-BMN on the quality of financial reports at the Indonesian National Election Commission (General Secretary). The higher utilization of SIMAK-BMN will affect the quality of financial reports. It can be seen regarding the indicators of providing training to employees in the operation of SIMAK-BMN get good responses with a percentage of 95% of respondents answered agree.

The second one concerning the indicators of comfort in accessing SIMAK-BMN in the form of Network or Internet and Software are sufficient to get 80% of respondents' responses to agree. This supports that the application of SIMAK-BMN in the Indonesian National Election Commission (General Secretary) has been running properly, supported by adequate training and supported by the convenience of accessing on the internet and network so that SIMAK-BMN operators can produce accountable outputs which is realizing transparent and accountable financial reports in accordance with government accounting standards set towards good governance.

The output is a report on state-owned property so that reports on periodically produced state goods can be accounted for by the state and report users. This is not in line with the research of Andiani et al [1], but in line with Anggriawan and Yudianto research [6] the use of information technology is one of the factors that influence the quality of financial reports. Sacer and Oluic also agreed that accounting information systems are very important in preparing and producing quality information [8]. Information system is a system that receives input data and instructions, processes the data according to instructions and releases the results [10].

C. *Effect of BMN Administration and Application of SIMAK-BMN Applications on the Quality of Financial Reports*

Based on the research test above, it can be concluded that the administration of BMN and the application of SIMAK-BMN simultaneously affect the quality of financial reports at the Indonesian Election Commission (General Secretary). With an f value of 27.310 with a significant probability of $0,000 < 0.005$. This is supported by the discussion above that the use of information systems in the administration of state-owned property is part of the management of state-owned property that is accountable, transparent and more orderly.

The application of the SIMAK-BMN application is a new paradigm for the management of state assets that are modern and professional. This is supported by respondents who answered about the Financial Reports in the Central KPU of the Republic of Indonesia (General Secretary) who have conducted audits or audits conducted by the Supreme Audit Board (BPK) to get responses in good categories. Reasonable opinion income "without exception" from the Supreme Audit Board indicates that the quality of the financial reports of the Indonesian National Election Commission (General Secretary) continues to improve the administrative order included in the management of state assets. This is in line with research by Andiani et al. which states that the simultaneous administration of BMN and the application of SIMAK-BMN have a positive effect on the quality of financial reports [1].

IV. CONCLUSION

- The administration of state-owned goods partially influences the quality of financial reports in the Indonesian National Election Commission (General Secretary).

- The application of SIMAK-BMN partially influences the quality of financial reports at the Indonesian National Election Commission (General Secretary).
- BMN administration and simultaneous application of SIMAK-BMN have a positive effect on the quality of financial reports at the Indonesian National Election Commission (General Secretary).

ACKNOWLEDGMENT

It is recommended for further researchers to expand the variables not limited to the administration of state-owned property and SIMAK-BMN application. Because there are many variables that can affect a quality of financial.

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