How to Build a Quality of Community Health Center Financial Statement?

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Abstract: The purpose of this study is to discuss and analysis factors that influence the quality of the financial statement of Community Health Center. This research use mix method. It was carried out in two stages. The first stage is quantitative method. It was used multiple regression to analyze the hypothesis. In second stage is qualitative method which the data collection using focus group discussion. The findings of the study showed that professionalism and role of inspectorate function were influence positively on the quality of financial statements. The culture and information technology were not influence to quality of financial statements. This is caused by implementation of software and regulation are not optimal.

Keywords: culture, information technology, quality of financial statements, professionalism, inspectorate

1. Introduction

1.1 Background

Improving the quality of community services will be very noticeable in health services such as Community Health Centers, in Indonesia called as Puskesmas. At present the Community Health Centers is required to be made the first choice by the community where the community needs adequate facilities and can meet their health needs, so that this service improvement will have an impact on the governance pattern of the Community Health Centers. Community Health Centers are given the flexibility to support quality services. For this reason, the government made a financial management pattern for regional public service agency (BLUD).

In implementing sound business practices, BLUDs have special features in the presentation of financial statements. BLUD from being an accounting entity as a government work unit, it was also stated as a reporting entity [1]. That is, BLUD-Community Health Centers must compile two types of financial statements, namely the financial statements as the accounting entity which will be consolidated with the Health Office and financial statements independently as the reporting entity to be audited by an external auditor.

This makes the Community Health Centers also must be able to provide financial information that is needed accurately, relevant, timely and trustworthy in order to support the implementation of regional autonomy. Financial accounting system is needed so that in its reporting it can produce a sound and accountable information. Therefore, a good financial management system is needed in order to manage Community Health Centers finances in an accurate, timely, transparent and accountable manner.

The low quality of financial statements in the regions is due to inadequate quality of human resources. One of the factors that influence the quality of the financial statements is the competence of human resources. Research on the influence of human resource competencies which is seen in terms of professionalism in working towards the quality of financial statements has been widely researched but shows different results. The results of empirical research show inconsistent results. Human resource competencies influence the quality of financial statements ([12], [3], [4], [5], [6], [7]).

Factors of cultural characteristics have been widely studied because they have an impact on organizational behavior and performance. The use of cultural dimensions (range of power, individualism, masculinity and courage to risk) in various accounting literature is widely used for testing cultural influences ([8], [9]).

In addition, support from the inspection team is also one of the determinants of the financial statements. In this case, the Community Health Centers which is supervised by the Region Health Office, is also required to be examined by the internal auditors of the regional government namely, region inspectorate. The role of internal audit must be able to provide assurance that all accounting and financial statement processes have been carried out in accordance with several accounting rules and standards to produce quality financial statements.

Previous research has found evidence that internal audit has a significant impact on the quality of financial statements ([10], [11]) and reduces the possibility of earnings manipulation [12]. Research on the role of the inspectorate in Indonesia there are generally showed support for the role of the inspectorate on the quality of regional government financial statements [13]. Role of internal auditors can improve the quality of financial statements [13]. The implementation of government internal supervisory apparatus will improve the reliability of local government finances [14].

From the explanation above, the researcher is interested in conducting research on the influence of professionalism, work culture, utilization of information technology and the role of the inspectorate on quality of financial statements and how compilers, supervisors and users of financial statements perceive the quality of reports that should be presented by Community Health Centers in Situbondo Regency.
1.2 Problem Definition

Based on the background of the problem, the formulation of the problem can be formulated:
1) Do professionalism, organizational culture, utilization of information technology, role of the inspectorate have an influence on the quality of financial statements?
2) How is the quality of financial statements perceived?

2. Literature Review

2.1 Institutional Theory

Institutional theory explained that the effect was environmental pressure experienced by the organization that encouraged institutionalization. Organizational norms are formed from ideas in the institutional environment that shape the language and symbols of organizational existence formed by the institutional environment around them. Important ideas and ideas are received together and then institutionalized as the organization’s way of thinking.

The theory not only provides a framework for understanding social construction or organization, but also conceptualizes the social world or institutional context that is shaped by institutions such as habits, routines, norms [15], cognition, normative, and regulative structures [16]. Institutional theory has been used to explain corporate governance and financial statement in developing countries [17], to test IFRS adoption [18], and to understand institutional, organizational and behavioral socioeconomic [19].

2.2 Professionalism And The Quality of Financial Statement

The results of research conducted by [3] and [5] that examines about how professionalism can greatly influence the quality of the financial statement. Employees will be given responsibility for drawing up and presenting the financial statements must figure that competent and have an understanding in the matter [20]. Employees must be responsible in carrying out its obligations to fulfill public interest efforts of employees given the task of making the financial statement should focus on the responsibilities in order to produce financial statements according to which senyantanya. Based on previous research and theory explanation then formulated the research as follows:

H1: Professionalism has a significant effect on the quality of financial statement

2.3 Organizational Culture and Quality of Financial Statement

The research about the influence of organizational culture on quality of the financial statements examines how organizational culture and internal audit roles influence the quality of the financial statement [22]. It is based on all staff at an organization that is capable of running the values and objectives that had been planned by the organization.

In the context of the effect on the quality of financial statement, previous research found evidence that organizational culture influence the quality of the financial statements [23]. Organizational culture can influence the quality of the financial statements, it is based on all the staff on an organization that is capable of running the values and objectives that had been planned by the organizations. The quality of the accounting information system can be improved by taking account of factors account for this organization, especially the culture of the organization [24].

H2: Organizational culture has a significant effect on the quality of financial statement

2.4. Utilization of Information Technology and Quality of Financial Statement

The research results information technology utilization influences the quality of financial statement has been done. IT influences the quality of the financial statements of significant positive effect which means the greater utilization of technology the information then the quality of the resulting financial statements will be getting better anyway [25].

Research in Indonesia showed similar results. The quality of financial statements was influenced by the utilization of information technology [26]. The samples on work unit Jakarta Provincial Government show that the utilization of information technology that will better improve the quality of financial statement. Improving the quality of local government financial statements can be done with the use of accounting information systems.

H3: Utilization of information technology has a significant effect on the quality of financial statement

2.5 Inspectorate's Role and Quality of Financial Statement

Research on the role of the inspectorates in Indonesia against the quality of the financial Research on the role of the inspectorates in Indonesia against the quality of the financial statement also has a lot to do. Generally, it shows that there is support for the role of the inspectorate to the quality of the local government finance report [13]. The existence of the internal audit is a normative requirement needed to maintain the quality of the financial statement of the local government. Process of review of financial statement by regional inspectorates can be variables mediating the relationship between understanding the local government apparatus toward governance and accounting standards the quality of the report [21].

H4: Role of the inspectorate has a significant effect on the quality of financial statement

3. Research Methods

The type of research is the kind of research the mixed sequential explanatory. Mixed method produces a more comprehensive facts in researching the research issues, as these researchers have the freedom to use all the tools the collecting data according to the types of data required.

Mixed method is research involving the use of two methods (quantitative and qualitative methods) in the one study. The
use of these two methods is seen more give a more complete understanding of the research issue than the use of one of them. Sequential explanatory approach is performed in two stages. Quantitative approach conducted in first stage. Data obtained through questionnaires and conducted hypothesis testing with multiple regression. The second stage is collect and analysis qualitative data. Focus group discussion was conducted at this stageto focus on dimensions of quality perceived by financial statement users, compilers, and supervisors.

4. Results and Discussion

This test is intended to find out the influence of each variable are independent of the dependent variable. The level of statistical significant (α) used that is 5%. Variables have a significant influence when probability < 5% (α). Research data collected using survey methods through the distribution of a questionnaire with snowball. The questionnaire submitted to the heads of community health centers for distributed to respondents. The number of questionnaires distributed by as much as 68 exemplars. The number of questionnaires presented, the number of questionnaires returned as much as 66 questionnaire or with a respond rate of 97%. The following table presents the results of the calculation of the t-test.

<table>
<thead>
<tr>
<th>Table 4.1: Results of the Hypothesis Testing</th>
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<tbody>
<tr>
<td>Variable</td>
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<tr>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
</tr>
<tr>
<td>Professionalism</td>
</tr>
<tr>
<td>Information technology</td>
</tr>
<tr>
<td>Inspectorate</td>
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<tr>
<td>Culture</td>
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Based on the table can be known the magnitude of the influence of each variable are independent of the dependent variable as follows:

a) Professionalism variable influences the quality of the financial statement. From table 4.1 can be known that human resource professionalism variables significant at 0.05. H-1 supported and H-null is rejected.

b) Organizational culture variable does not influence the quality of the financial statement. From table 4.1 can be known that the probability level 0.997. Thus H-2 is rejected. This means that the organizational culture of the variables does not influence the quality of the financial statement.

c) Information technology utilization variable does not influence against the quality of the financial statement. From table 4.1 can be noted that the level of probability of 0.723 thus H-3 is rejected. In other words, information technology utilization does not influence the quality of the financial statement.

d) Role of the inspectorate variable influences the quality of the financial statement. From table 4.1 can note that the level of probability of less than 0.05. Thus H-4 is supported. This means that the role of the inspectorate effect on the quality of financial statement.

To do the in-depth discussion of the influence of variables associated with professionalism, organizational culture, utilization of technology, and the role of the inspectorates need to understand first how they understand about the participants' financial statements revealing his knowledge related to what is called a financial statement. Data collection with focus group discussion against the community health center accountants. Results show:

1) The culture did not influence the quality of the financial statement.

2) Preparation of financial statements in Community Health Centers still uses the general software.

3) Understanding of the quality of the financial statements is narrowed. The participants gave priority to this aspect of the relevance of the information required.

5. Conclusions and Recommendations

5.1 Conclusions

This research aims to analyze and test whether the professionalism, organizational culture, utilization of information technology, and the role of the Inspectorate have an effect on the quality of financial statement Communication Health Center in Situbondo. Based on hypothesis testing then it can be taken as a conclusion:

The results show that the professionalism of employees and the role of the Inspectorate influence the quality of the financial statement of Community Health Centers. Organization culture and utilization of information technology does not influence the quality of the financial statement of Community Health Centers.

Understanding of the quality of financial statements narrowed the meaning. The dimensions of the quality of financial statements is only seen from the usefulness of the information and decision making.

5.2 Recommendations

The results of the studies provide new empirical evidences that the quality of financial financial statement determinant. Financial statement is influenced by the professionalism and the role of inspectorate. Some suggestions for further research are:

1) Entities which is as research object can be selected that have already implemented the system specific financial statement applications and integrated.

2) It is need to consider the time of distribution of the questionnaires. Research conducted in the months which are not busy, so respondents can fill in the questionnaire seriously.

3) Participants in the focus group discussion is supposed to be more so that represent the overall population.

4) It can use the variable forming of themes results summary in this study. Education and experience such as new variables that form the variables of professionalism.
References


