

UDC 334

INTERNAL CONTROL SYSTEM, REGULATORY COMPLIANCE, PERFORMANCE ACCOUNTABILITY, AND QUALITY OF FINANCIAL STATEMENT

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ABSTRACT

This research is aimed for analyzing the effects of internal control system and regulatory compliance upon performance accountability with the quality of financial statements as mediator. Performance accountability is a reflection of good government. Therefore, it requires commitment and seriousness from the regional government in order to achieve a good performance accountability which continuously increasing as well. This research is conducted on the regency/municipality government in East Java Province from 2011 to 2015. The analysis technique is using PLS (Partial Least Square), with 55 local governments as research sample. The results of this research shows that the effectiveness of internal control system and regulatory compliance will increase the performance accountability; the effectiveness of internal control system will be able to increase the quality of financial statements, which in the future improving the performance accountability; but, regulatory compliance does not give any effects to the quality of financial statement, which at the same time giving no influences to the increasing of performance accountability.

KEY WORDS

Performance accountability, internal control system, regulatory compliance, quality of financial statement.

The society's demand toward the quality of regional government performance will be continuously increasing in line with the elapsing time. Each regional government is expected to be able to sustainably improve their performance and handling any challenges faced in the globalization. Thus, none will be moving backward compared to other regions. Political expectation becomes dominant factor in determining the accountability direction of public sector (Chowdhury, et al., 2005). Ministry of Empowerment of State Apparatus and Beaurocracy Reform (KemenPAN-RB) deeply concerns about the importance of assessment and evaluation towards the performance of governmental institutions, which can be embodied by giving ranks to the performance accountability of regional government (AKIP).

For building performance accountability, it needs coordination and fostering in the related Regency/ City, among others, through the implementation of effective internal control system (Nofianti and Suseno, 2014; Spitzer, 2005; Indriasi and Koeswayo, 2014; Surastiani and Handayani, 2015; Simangunsong (2014) and the compliance of regional government upon regulation of laws applied (Soleman, 2007; Zirman, et. al., 2010; Riantiaro and Azlina, 2011; Triuriana, 2013; Darwis and Chairunisa; 2013).

The effectiveness of internal control system under result-orientation will improve the public trust upon the government performance, since it becomes one of the efforts in achieving a good governance (Afifah and Azwari, 2015). To ensure that the government tasks have been well-implemented, a set of regulation of laws is made, obliging the regional government to submit financial statement and performance accountability.

One of the real public accountabilities can be seen from the achievement of AKIP ranks. Since 2011 until 2015, AKIP ranks by the regency/municipality government in East Java Province shows no satisfying achievement yet. It is proven from the absence of regional government rated A or AA, which shown by the following table 1.

In addition to internal control system and regulatory compliance, another factor that giving effects to the achievement of performance accountability by regional government is the quality of financial statement. The quality of financial statement is not only reflecting the

quality of budget management, but it also represents the quality in achieving performance accountability as the realization of democracy and good governance system (Iskandar and Setiyawati, 2015; Darwanis and Chairunisa, 2013; Susilawati and Sudarno, 2014; Handayani, 2012). Therefore, KemenPAN-RB uses financial statement as one of the instruments in assessing the performance accountability of public sector, namely through the audit opinion of Indonesian Supreme Audit Institution (BPK). In another side, the quality of financial statement is influenced by the effectiveness of internal control system (Elbannan, 2007 and Doyle, et al., 2007) and regulatory compliance (Munawar, et al., 2016).

Table 1 – The Percentage of AKIP Ratings 2011–2015

Tahun	% Perolehan Peringkat					
	AA	A	B	CC	C	D
2011	-	-	-	2,7%	5,4%	91,9%
2012	-	-	2,7%	24,3%	43,2%	29,8%
2013	-	-	5,4%	40,5%	21,6%	32,5%
2014	-	-	-	59,5%	32,4%	8,1%
2015	-	-	24,3%	48,7%	21,6%	5,4%

Source: Kementerian Pendayagunaan Aparatur Negara dan Reformasi Birokrasi.

Low achievement of AKIP ranks by regional government in East Java Province has become main concern to conduct this research. Referring and modifying previous research conducted by Indriasih and Koeswayo (2014), as well as being associated with Stewardship and Legitimacy Theory. This research is aimed to analysis the effects of internal control system and regulatory compliance upon the performance accountability with the quality of financial statement as mediator.

LITERATURE REVIEW

Legitimacy can be interpreted as the similarity of assumption that any activities done by an entity have been in accordance with the norms, values, belief, and desire of the society, whose successful achievement will be declared to the public (Deegan, 2000; Gray, et al., 1996). In the public sector, regional government will try to convince the society and central government that any activities performed by the government relating to authority, decision or policy made have been in accordance with the people's needs and complying with the regulation of laws applied. Regional government will use the financial statement and the result of performance evaluation in order to show its performance. If the performance done by regional government is good and the society's satisfaction increases, the people will give their trust (legitimacy) to the related regional government.

Society's demand toward the performance of public sector will be continuously developing along with the elapsing time, and later it becomes a dominant factor that effects the direction of performance accountability by the public sector (Parker and Guthrie (1993). For that goals, it requires strong commitment from the regional government for achieving legitimacy from the society and central government in sustainable manner. One of the efforts that can be done by regional government to maintain their legitimacy is by implementing effective internal control system and by complying with regulation of laws.

The effectiveness of internal control system implementation and the compliance upon regulation of laws will facilitate the regional government to keep improving their performance, either financial performance or performance accountability (non-finance). An effective internal control system can help the regional government to prepare their financial statement according to Government Accounting Standards (SAP) as regulated in PP Number 71 of 2010, thus the financial statement resulted will be qualified and any information contained within it can be useful for decision making.

Stewardship Theory that developed by Donaldson and Davis (1991) shows the manager's main objectives and motivation, namely for the benefit of the organization, so that any individual or group interest will be set aside. Stewardship Theory can be implemented on

an accounting-related research on the organization of public sector, which in this case, government institution (Morgan, 1996; David, 2006 and Thorton, 2009), and other non-profit organizations (Vargas, 2004; Caers, 2006 and Wilson, 2010), because the accounting of public sector is indeed prepared for fulfilling the need of information between stewards and principals. The orientation of Stewardship Theory in the public sector's organization is a continuous improvement of its performance with the aim of providing services to the public.

Accountability in the public sector requires separation of functions, namely the function of society's ownership and the function of government management. In this case, the owner of resources (principal) will give their trust to another party (steward) who is more able and ready to manage the resources. The contract of such relationship is based on trust, in which the steward will act according to the organization's objectives.

Regional government should always prioritize the society's interests above individual or group interests and the budget management for financing the government activities will be accounted through the disclosure of financial statement which is assessed as performance. The evaluation in the process of government activities implementation in order to get accounted and made as feedback for improving their performance in the future is the realization of performance accountability on the government institution. Mahsun (2010) states that a good government is a government that has good performance accountability.

PP Number 60 of 2008 concerning Internal Control System of the Government includes the definition of Internal Control System as an integral process on any actions and activities undertaken continuously by the leader and all employees in order to provide reasonable assurance on the achievement of organizational objectives through effective and efficient activities, reliability of financial reporting, security of the state's assets, and compliance with regulation of laws.

Continuous implementation of effective internal control system will be able to create a conducive working culture and environment, so that the performance achieved will be more productive. Leaders must commit to act as role model for all their subordinates in carrying out each task and responsibility, so that the achievement of performance can be in accordance with the target and goals that have been planned. Spitzer (2005) proves that the development and maintenance of an organization's internal control system can be helpful to ensure the realization of accountability. Afifah and Azwari (2015) and Simangunsong (2014) prove that internal control has a significant effect for the realization of good governance.

The control activity in SPI is aimed at responding to any risks of the government institutions and ensuring that the responses upon such risks are effective and an effective implementation of SPI can result in qualified human resources (HR). Qualified human resources will make it easier for the government institution to compile financial statements. Elbannan (2007) states that the effectiveness of internal control can increase the capacity of public sector to meet the financial statement and its assessment role. When examining a financial statement, BPK will really need information in the said financial statement, including audit to SPI as some judgments in giving opinion.

Like the private sector, the public sector is also obliged to comply with regulation of laws, especially with broader responsibility. The public sector embraces civil law system, meaning that all rules relating to the accounting of public sector will be included in regulation of laws. The compilation of financial statement, accounting system, and regional budget and revenue (APBD) must refer to some rules. Such rules, among others, are PP Number 71 of 2010 concerning Government Accounting Standards, PP Number 58 of 2005 concerning Regional Financial Management, and Permendagri Number 13 of 2006 concerning the Guidelines for Regional Financial Management.

The compliance of regional government upon regulations becomes a form of effort in gaining legitimacy from the society and central government, which is embodied in public accountability. Zirman and Rozi (2010), Mahmud (2014), Fatmala and Baihaqi (2014), Oktriandra (2010) and Zirman (2010) prove that regulatory compliance gives impact to the achievement of performance accountability as the realization of public accountability.

In the audit of public sector, the compliance with regulation of laws becomes a dominant factor for BPK in assessing the fairness of regional government financial statement

(LKPD) through the giving of audit opinion. It also relates to the mandate and trust which have been given by the society to public sector for managing public fund and resources, which especially aimed at most for public benefit.

Regulation of laws will give limitation and norms for the public sector in managing public fund and resources, as well as improving the stakeholders' trust that the government will fulfill the stakeholders' expectations. Any problems relate to noncompliance upon regulation of laws will affect the audit opinion given regarding the investigation of regional financial statement. Hendarto (2006) proves that noncompliance upon regulation of laws determines the fairness of financial statement, as similarly shown in the result of a research done by Nalurita (2015) which finding that the compliance upon regulation of laws will influence the audit opinion.

The quality of financial statement in the government institution will shows its accountability level. It relates to the responsibility fulfillment by the government institutions to the society as their responsibility in budget management. Finance Auditor Body also has a concern with any information contained in financial statement for giving the audit opinion. One of the reflections in qualified financial statement can be seen through the audit opinion that provided by BPK. Better audit opinion which is Unqualified Opinion with Explanatory Language (WTP) means better quality of financial statement. Such audit opinion can be made as one of the references for evaluating the performance of government institution during a year and to be reviewed for the future planning.

The ability of government institution in providing qualified financial statement cannot be separated from many efforts and good planning. The effectiveness of internal control system (SPI) and regulatory compliance by the government institutions will be the guideline for them to get rid of any misuses in the budget and authority. Both also become the main highlight of BPK in conducting audit toward financial statement of the government institution.

A research done by Suwanda (2015) proves that SAP, quality of human resources, implementation of internal control system, organization's commitment, and the use of information system and technology in simultaneous manner will give significant impact to the quality of LKPD, while in partial way, SAP and organization's commitment have no significant influence.

From the result of evaluation by BPK toward LKPD, it can be concluded that in general, LKPD that obtains WTP and Qualified Opinion (WDP) has a good and sufficient internal control system. On the contrary, LKPD that obtains Adverse Opinion (TW) and Disclaimer Opinion (TMP) opinion, in general, requires improvement in its internal control system, because it is still not optimal. The existing phenomenon in East Java relating to the gaining of audit opinion shows a positive trend, namely during 2011–2015, the gaining of WTP opinion is continuously and significantly increasing.

Accountability is an important principle which must be fulfilled by the government institution as a form of democracy and responsibility concerning its all activities to the society, as well as being one of the primary elements for the realization of good governance. Accountability can be meant as an obligation from an agent to the principal for giving responsibility, presenting it, reporting and explaining its all activities.

Harrison, et al. (2013) states that accountability needs consideration of strategy, stakeholders and how performance is measured and reported. The obligation for reporting performance which can be, among others, through the disclosure of financial statement becomes one of the realizations of public accountability and quality of financial statement will influence the accountability of said government institution (Iskandar & Setiyawati, 2015 and Elbannan, 2007).

During this time, the government tends to only focus on the accountability that relates to financial performance and public service performance, whereas the society also expects the accountability that relates to behavior and ethics of all public officials that are not contrary to the law and rules applied. Therefore, the assessment of performance accountability in sustainable manner is expected to be able to provide additional information and direction for the government institution to not only get organized the management of budget and other resources, but it must also first settle the morality of all public officials. If it can be realized, it

is expected that the government performance will not only look good from outside, but also reflected in its inside as a whole.

As an effort to improve reformation and bureaucracy in the government institution, accountability ranks of the KemenPAN-RB becomes an additional assessment relating to the performance accountability in the government institution. Higher ranks obtained means better bureaucracy performed transparently in the said government institution. Audit opinion from BPK is considered as one of the assessment aspects for the KemenPAN-RB in giving the ranks. Any information contained in financial statement should be accountable relating to all material matters, thus the indication of fraud can be suppressed and the government institution can provide excellent services to the society.

KemenPAN-RB provides facility for the stakeholders, especially the society, for assessing the government's performance accountability through AKIP ranks, with the ranks order from AA, A, B, CC, C and D. AKIP ranks can be also regarded as a reflection for the government institution in continuously improving its performance if the ranks obtained is still low. The phenomenon of AKIP ranks in East Java Province shows an unsatisfactory trend, because during 2011-2015 no region gets AA or A ranks. Of course, it becomes a deep concern for the government, KemenPAN-RB and society, because accountability and performance are inseparable parts in the government institution and considered as the main goals to be achieved by the government institution. Performance accountability is also the stakeholders' right, especially the society, for knowing how the government institution manages the budget used for financing governmental programs that addressed to the society.

Based on the theoretical review, empiric research and the phenomenon of performance accountability in East Java, the researcher wants to test the relationship between the influence of internal control system and regulatory compliance upon the performance accountability. The quality of financial statement is added as the mediator in such relationship. The hypothesis proposed are:

H1: Internal Control System Positively Influences the Performance Accountability;

H2: Regulatory Compliance Positively Influences the Performance Accountability;

H3: Internal Control System Indirectly Influences the Performance Accountability through the Quality of Financial Statement;

H4: Regulatory Compliance Indirectly Influences the Performance Accountability through the Quality of Financial Statement.

METHODS OF RESEARCH

This research is done in the regency/municipality government of East Java Province during 2011 to 2015. The sample of research is selected by using method of purposive sampling, namely sample selection that based on certain criteria. The criteria for sample selection are as follow:

- Regency/Municipality Government in the administrative regions of East Java Province during 2011-2015;
- Already audited by BPK in the Report of Audit Result that presenting the findings of weakness in internal control system and compliance with regulation of laws consecutively during 2011-2015;
- Presenting the result of performance accountability ranks in the Regency/Municipality Government of East Java from the KemenPAN-RB consecutively during 2011-2015.

Based on the criteria specified, and the result of data proposal directly to BPK, there are 11 regional governments for the research sample, as total sample of the research that reaches 55 regional governments during 2011-2015.

Internal control system is an independent variable (X1) that consists of three indicators, namely the accounting and reporting controls (PAP), the controls of budget and revenue implementation (PPAPB), and internal control structure (STPI). This variable is measured by giving score for each finding indicator of weakness in the implementation of internal control

system, and the scores are: score 5= 0 finding, score 4= 1-3 findings, score 3= 4-6 findings, score 2= 7-9 findings, and score 1= \geq 10 findings.

Regulatory compliance is an independent variable (X2) that consists of six indicators, namely regional losses (KD), potentials of regional losses (PKD), revenue shortage (KP), administrative deviation (PA), inefficiency (KHM), and ineffectiveness (KEF). This variable is measured by giving score for each finding indicator of noncompliance upon regulation of laws, with the following scores: score 5= 0 finding, score 4= 1-3 findings, score 3= 4-6 findings, score 2= 7-9 findings, and score 1= \geq 10 findings.

Performance accountability (AKIP) is a bound variable (Y) which is determined based on the ranks of performance accountability by each regional government. This variable is measured by the score given for ranks level, starting from the highest to lowest rank with the same distance (Hartono, 2014:83). The scores given are: score 5= AA-A rank, score 4= BB-B rank, score 3= CC rank, score 2= C rank, and score 1= D rank.

The quality of financial statement (OPINI) is a mediation variable (M) which is determined based on the audit opinion of BPK upon financial statements of the regency/municipality government of East Java. This variable is measured through the score given for each opinion, starting from the highest to lowest opinion with the same distance (Hartono, 2014:83). The scores given are: score 5= WTP opinion, score 4= WTP-DPP opinion, score 3= WDP opinion, score 2= TMP opinion, and score 1= TW opinion.

The technique of data collection used in this research is archival and the data sources are taken from the database (Jogiyanto, 2014). Data collection is taken directly and indirectly, and then it will be collected by copying data from each regional government during 2011-2015. Such data consists of the Report of BPK Audit Result, publication of performance accountability ranks of the KemenPAN-RB, and publication of BPK audit opinion. In addition, a bibliographical study from the related sources is also taken, such as books, journals, and articles relating to this research.

This research uses SEM-PLS (Structural Equation Modeling-Partial Least Square) model for analyzing data, as helped by WarpPLS 5.0 software. PLS is an approach of causal model aiming at the maximization of variance from latent variable of criteria which can be explained (explained variance) by latent variable of predictor (Sholihin and Ratmono, 2013:7).

RESULTS AND DISCUSSION

The attachment of descriptive statistics show the average score of internal control system indicators which described with PAP, PAPB, and STPI variable. The average score of PAP is 3.673 (score 3), shows that the average findings of the weakness of accounting and reporting control system are four to six findings every year. The average score of PAPB is 3.673 (score 3), shows that the average finding of the weakness of revenue and budget implementation control system are four to six findings every year. The average score of STPI is 4.127 (score 4), shows that the average findings of the weakness of internal control structure are one to three findings every year.

The average score of regulatory noncompliance indicators are showed with KD, PKD, KP, PA, KHM, and KEF variable. The average score of KD is 3.63 (score 3), shows that the average finding of regional losses are four to six findings every year. The average score of PKD is 4.527 (score 4), shows that the average findings of regional potential losses are one to three findings every year. The average score of KP is 4.491 (score 4), shows that the average findings of revenue shortage are one to three findings every year. The average score of PA is 3.818 (score 4), shows that the average finding of administrative deviation are one to three findings every year. The average score of KHM is 4.891 (score 4), shows that the average finding of inefficiency are one to three findings every year. The average score of KEF is 4.745 (score 4), shows that the average finding of ineffectiveness are one to three findings every year.

The average score for the quality of financial statement variable (OPINI) is 3.745, shows that the average audit opinion is WTP-DPP every year.

Table 2 – Descriptive Statistics

n/n	N	Minimum	Maximum	Mean	Std. Deviation
PAP	55	2.000	5.000	3.673	0.747
PAPB	55	2.000	5.000	3.673	0.640
STPI	55	2.000	5.000	4.127	0.747
KD	55	1.000	5.000	3.636	0.825
PKD	55	3.000	5.000	4.527	0.573
KP	55	3.000	5.000	4.491	0.573
PA	55	1.000	5.000	3.818	0.905
KHM	55	4.000	5.000	4.818	0.389
KEF	55	3.000	5.000	4.745	0.480
OPINI	55	3.000	5.000	3.745	0.821
AKIP	55	1.000	5.000	2.418	1.031
Valid N (<i>listwise</i>)	55	55			

Source: Data Research Results (Processed).

Hypothesis Test Result. Hypothesis test results prove that: first, internal control system positively influences the performance accountability, thus H_1 is accepted. This result shows that the regional government by the effectiveness of internal control system will have good performance accountability. Similarly, it will be followed by the increase of performance accountability in the future. The effective internal control system that applied sustainably will be able to create a conducive working culture and environment in order to realize the organizational objectives of public sector (Afifah and Azwari, 2015). Regional government needs an effective internal control system in order to realize its responsibilities, so that there will be no more misuses of resources management. Its goal is to gain legitimacy from the central government, stating that the regional government has managed local resources in the budget according to the objectives specified in APBD.

Second, regulatory compliance positively influences the performance accountability, thus H_2 is accepted. This result shows that the performance accountability can be realized if the regional government always complies with regulation of laws applied, because any actions that contrary to the regulation and budget will be avoided. Later, the goals to be achieved by the regional government, and the society's demand upon good public services will be realized. Public sector has a broader responsibility compared to private sector. Therefore, the government's activity will be regulated in the regulation of laws which will give rules for each activity conducted by the government and the activity will be always monitored. The regional government's commitment to continuously comply with the regulation of laws applied is one of the efforts to get legitimacy since it relates to the mandate given by the public to the regional government.

Three, internal control system positively influences the performance accountability through the quality of financial statement, thus H_3 is accepted. This result shows that the implementation of effective internal control system will effect on the quality of financial statement produced. It is because of careful preparation in financial statement and its suitability with the existing reality. Therefore, it will prevent any manipulations of financial statement. Budget management will be done so as not to deviate from the regional budget prepared. It can, consequently, help to improve the regional government's performance accountability in the future, sustainably (Susilawati and Sudarno, 2014). KemenPAN-RB uses financial statement as one of the references for assessing the regional government's performance accountability by seeing the audit opinion of BPK obtained by related regional government. The result of performance accountability assessed by KemenPAN-RB can be seen through AKIP ranks obtained by related regional government.

Fourth, regulatory compliance does not influence the performance accountability through the quality of financial statement, thus H_4 is rejected. This result shows that the regional government's compliance with regulation of laws does not guarantee that the financial statement resulted will be qualified and according to the existing reality. Consequently, it will affect the audit opinion obtained. An indication shows that financial manipulation still happens in the government organization, which, as if, reflecting the real

financial condition. The regional government that is given opinion WTP still has indication of corruption (Heriningsih and Marita, 2012; Rini and Damiani, 2017). BPK recommendation upon audit finding result can be made as the regional government's evaluation material for improving any weakness in its organization. Therefore, any deviations in the preparation of financial statement can be stopped and prevented to repeat the same case (Masyitoh, et al., 2015; Liu and Lin, 2012; Umar, 2012; Arifanti, et al., 2013; Astriani, 2014).

Table 3 – Path Coefficient Test Results – Indirect Effect

Path Coefficients (one tailed)				P-value (one tailed)			
	SPI	KEP.REG	AKIP		SPI	KEP.REG	AKIP
SPI				SPI			
KEP.REG				KEP.REG			
AKIP	0.232	0.484		AKIP	0.033**	<0.001**	

*Significancy <1% **Significancy 5%

Table 4 – Path Coefficient Test Results – Direct Effect

Path Coefficients (one tailed)					P-value (one tailed)				
	SPI	KEP.REG	OPINI	AKIP		SPI	KEP.REG	OPINI	AKIP
SPI					SPI				
KEP.REG					KEP.REG				
OPINI	0.282	0.186			OPINI	0.012**	0.072		
AKIP	0.181	0.247	0.466		AKIP	0.078	0.025**	<0.001**	

*Significancy <1% *Significancy 5%
 R^2 OPINI = 0,113; R^2 AKIP = 0,400
 Q^2 OPINI = 0,143; Q^2 AKIP = 0,404

Source: Data Research Results (Processed).

CONCLUSION

This research is aimed to analyze the effect of internal control system and regulatory compliance upon performance accountability, using the quality of financial statement as mediator. This research uses indicators of the research for each independent variable, which are internal control system and regulatory compliance. This research is conducted on the regional government of East Java Province, consisting of 11 regency/municipality governments, from 2011 to 2015, as total sample amounting to 55.

The result of this research proves that, first, an effective internal control system is able to give impact on the achievement of performance accountability in better manner. An effective internal control system will be able to grow a positive performance culture, according to the expectation of the society and central government. Regarding its implication, if the regional government has a good internal control system, its rank of performance accountability will be also good or increasing.

Second, regulatory compliance is able to give effect on the achievement of better performance accountability. The regulation made by the central government will be the controller for each activity conducted by the regional government, especially in the budget management. Appropriate budget management will be the main key in assessing the regional government's performance concerning the public services provided.

Third, an effective internal control system will result in a qualified financial statement, whose implication is the increase in performance accountability. Internal control system becomes the working guideline in public sector's organization, which will affect the regional budget management's output and outcome. Such output and outcome are the benchmark in assessing the regional government's performance accountability.

Fourth, the regional government's compliance toward the regulation of laws applied cannot guarantee that its financial statement will be qualified, which also giving impact to the achievement of its performance accountability. It is because of many manipulations still occur in the budget matters which, as if, reflecting the real use of the budget. Therefore, WTP

opinion does not guarantee that the regional government is clean from budget deviation. It requires a strict supervision, either from internal or external party of the organization, in order to ensure that all activities conducted do not violate the regulation of laws applied, considering that the public sector's responsibility is broader than the private sector.

After conducting re-estimation of the research's variable data, 5 variable indicators or 55% must be excluded from the model, because it does not meet the requirement of convergent validity. Such matter will probably influence the research result, because the data used is limited. For the next research, it is expected to be more maximizing the number of research's variable data used in the analysis.

The research data is planned to use 39 regional governments as the research sample, including the regency/municipality governments across East Java Province and the Provincial Government of East Java. However, the proposal of data request to BPK results in only 11 regions, including 10 regency/municipality governments of East Java and the Provincial Government of East Java. Regarding the next research, it is suggested to broaden the number of sample data in the regional government that researched.

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