The Influence of Recording, Inventorying, Reporting, and Application on The Quality of Financial Report
(Case of SIMAK-BMN)

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ABSTRACT

The purpose of this study is to examine and analyze the effect of records, inventory, reports, and the usage of applications on the rate of financial reports of State-Owned Goods Financial Accounting Management Information System (SIMAK-BMN). Using a quantitative approach, 50 respondents filled online questionnaire and analyzed using multiple regression. The results of this study found that the better record, inventory, reporting, and application of SIMAK-BMN, the better the quality of financial reporting. Recording, reporting, and the implementation of the application can be improved in recording the movement and changes in BMN conditions, inventory, missing goods reports, and recording BMN mutation documents using complete and precise data.

INTRODUCTION

Government financial accountability to the people can be shown from the results of government financial reports and is an indicator of the feasibility of government credibility. One form of government financial report is a report on state property. Goods that belong to the state are an important element in the administration of government, especially in providing

services to the community. The problem of managing state assets requires urgent government attention in terms of restructuring the management and rational use of state assets, developing an accurate and comprehensive BMN database, legal and/or physical protection of state assets. The management of state assets is not only administrative in nature but also refers to the management of public assets by increasing efficiency, effectiveness and creating value in asset management. Improving the management of state assets in an organized and responsible manner is one of the most important issues in efforts to improve the reputation of state financial management at the Ministry of Agriculture. The research problem is reporting, inventory, reporting and application of SIMAK-BMN and whether it affects the quality of government financial reports. Other studies also state that reporting, inventory, and reporting have no significant effect on the quality of financial reports.

However, there are several other variables that can affect the quality of financial reports which are not research variables. In the field of management of state property, there are still many problems arising, in particular a lot of property that is heavily damaged but registered in its original state, assets do not have numbers, BMN exists but has not been recorded, or vice versa is recorded in a report but facts are not found. This resulted in actual BMN data, not in accordance with the report. The use of SIMAK-BMN has an effect on the quality of financial reporting (Amaliah et al., 2019). Some of the limitations of previous research related to the effect of State Property Management (BMN) and the application of the State Property Accounting Information System on the quality of reporting so that there may be perceptions that are not in accordance with the actual situation. Quality financial reporting must be able to provide information in a transparent manner. Government financial reporting is useful for presenting transparent and fair financial data to the public on the basis that the public has a full and transparent understanding of the government's responsibility to manage resources of trust and comply with laws and regulations. Management of BMN is one of the most important stages in managing state assets. Reporting, inventory and reporting greatly affect the quality of financial reporting.

LITERATURE REVIEW

The government is obliged to account for the acquisition of state property (BMN) for the implementation of the APBN in the form of financial reports prepared through an accounting process. Therefore, an application for the State Property Accounting Management Information System (SIMAK BMN) was made (Winarni & Situmeang, 2018). The SIMAK BMN application is a computerized application because there is a lot of important data about BMN, SIMAK BMN officers are more likely to back up data because this application is vulnerable to virus infection (Sari, 2018). The SIMAK-BMN application simplifies classification, coding, compiling, and reporting tasks. In addition, the BMN report fulfills indicators for evaluating program effectiveness both in terms of accuracy in achieving goals, program quality, timeliness, satisfaction, and use of facilities and infrastructure. This is demonstrated by program accessibility through the achievement of indicators that are in accordance with program accessibility including ease of learning, ease of use, software support, and adherence to standards that have been made by the program (Meiforini et al., 2020).

The implementation of bookkeeping, inventory, reporting and application of BMN in the form of fixed assets and the effectiveness of SIMAK BMN are generally very good but need to be improved. There are still unrecorded assets, problems updating asset data, storing BMN documents, tracking inventory of lost facilities, and staffing problems. It is hoped that policies related to BMN management will continue to improve the results of the studies above in order to improve the quality of financial reporting information and accountability for public sector management (Ramdany & Setiawati, 2021). SIMAK-BMN implementation is effective from the user's point of view if the employees who work as system operators have sufficient knowledge about the operation of the SIMAK-BMN application. The product produced by the SIMAK BMN application is in the form of high-quality BMN information that is used by Goods accounting entities that are effective (Nasrudin, 2015). The work of SIMAK BMN is characterized by quality, ease of use of SIMAK BMN, timeliness, as well as supporting and inhibiting factors (Majampoh et al., 2017).

Bookkeeping, inventory, and reporting as BMN managers based on Minister of Finance No. 181/PMK.06/2016 each affects the financial statements. The results of several previous studies indicate that accounting has a significant effect on financial quality, while inventory, reporting and application of BMN SIMAK have no effect on financial quality. BMN bookkeeping has a significant impact on the results of financial statements, namely the better the management of BMN, the better the results of financial reports. Recording and data collection of state property have no effect on financial performance, meaning that there are other variables in this study that can affect financial performance. This is possible because inventory results can be obtained from the main documents involved in recording BMN changes during the inventory process, such as transfer records (BAST), ownership, supply, maintenance, management, and other related sources of materials. This shows that the research output is obtained because the inventory process has been fully accounted for by the accounting process, so in the absence of an inventory, the quality of financial reports remains good as long as the accountant will be complete and precise. Reports of state property do not have a major impact on the results of financial reports because BMN accountants do not know that BMN reports are documents for formulating policies related to BMN management and are founding documents from administrative reports. The government has not fully implemented SIMAK BMN so it does not have a major impact on financial information, while the financial information system is a means to achieve government goals in providing financial information (Andiani et al., 2017). Therefore, the hypothesis is found as follows:

  H1: Record affects financial report quality
  H2: Inventory affects financial report quality
  H3: Report affects financial report quality
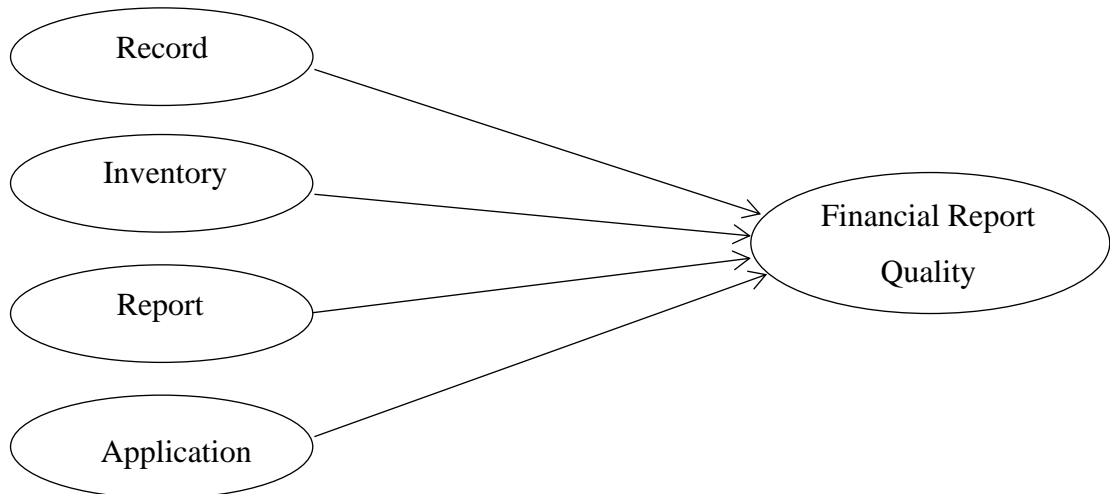 H4: Application affects financial report quality

Figure 1. Conceptual Framework

RESEARCH METHOD

This research was conducted using a quantitative research model using data analysis to test the hypothesis that there is an influence between research variables. The survey was conducted in work units/regional offices under the BPPSDMP of the Ministry of Agriculture in all regions of Indonesia. The sample in the study was 50 employees who used the SIMAK-BMN application and were responsible for preparing BMN financial reports in the Work Unit/Regional Office of the Ministry of Agriculture's BPPSDMP using questionnaires. Data analyze using multiple regression.

RESULT AND DISCUSSION

Respondents of this study are 50 employees who use the SIMAK-BMN application and are responsible for preparing BMN financial reports in the Work Unit/Regional Office BPPSDMP Ministry of Agriculture. The respondent's profile consists of gender, age, and education which can be seen in Table 1 below:

Table 1. Respondent's Profile

No	Content	Frequency	Percentage
Gender	Male	32	36%
	Female	18	14%
Age	21 – 30	3	6%
	31 – 40	20	40%
	41 -50	17	34%
	>50	10	20%
Education	Diploma	17	34%
	Bachelor	21	56%
	Master	5	10%

Table 2. Validity Test Results

Variable	*R-count*	Sig	R-table	Description
Record	0.780	0,000	0,60	Valid
Inventory	0.755	0,000	0,60	Valid
Report	0.722	0,000	0,60	Valid
Application	0.724	0,000		
Quality of Financial Report	0.766	0,000	0.60	Valid

Based on the results of the validity test of table 2 above, the variables X1, X2, X3, X4 and Y are declared valid because the coefficient value of each variable exceeds the r table value of 0.60, meaning that r count is greater than r table.

Table 3. Reliability Test

Variable	*Cronbach Alpha*	Standart *Cronbach Alpha*	Description
Record	0,805	0,06	Reliable
Inventory	0,846	0,60	Reliable
Report	0,833	0,60	Reliable
Application			
Quality of Financial Report	0,863	0.60	Reliable

Reliability test in this study using the Cronbach Alpha formula. The reliability test can be seen from the significance value, if the significance value obtained is <0.6 then the data is not reliable. A data can be said to be reliable if its significance value is > 0.6. The following are the results of the reliability test in this study using SPSS 24.

Table 4. Results of Multiple Linear Regression Analysis

Variable	B	SE	t	Significance	r^2	Description
Constant	0,060					
X1→Y	0,303	0,094	3,215	0,002	0,187	Accepted
X2→Y	0,252	0,092	2,751	0,009	0,144	Accepted
X3→Y	0,220	0,101	2,191	0,034	0,096	Accepted
X4→Y	0,238	0,089	2,666	0,011	0,136	Accepted

H1 is accepted because the t test of the effect of recording (X1) on the quality of financial statements (Y) yields a significant value of 0.002 <0.05. These results indicate that bookkeeping has a major impact on the quality of financial reports for employees who use the SIMAK BMN application and those responsible for compiling BMN financial reports in the Work Unit/Regional Office of the Ministry of Agriculture within the scope of BPPSDMP. Significant improvement in the quality of financial reports is greatly influenced by bookkeeping for employees who use the SIMAK BMN application and are tasked with compiling BMN financial reports in the Work Unit/Office of the BPPSDMP region of the Ministry of Agriculture. The quality of financial reports increases significantly through bookkeeping, if the quality of bookkeeping is good, the quality of financial reports will increase. The findings of this study are in accordance with the results of research by Abdul Malik Fajri and Raida Fuadi (2021) who concluded that the quality of financial reporting can be improved with quality bookkeeping. The

findings of this study are also in line with Fitriawati's research (2021) which concluded that accounting improves the quality of financial reporting. BMN accounting is an important part of BMN administration and one of the objectives of BMN accounting is to carry out BMN affairs and prepare financial reports of high quality and carried out in accordance with the provisions. Implications for improving the quality of financial reporting

H2 is accepted because the t-test of the effect of inventory (X2) on the quality of financial statements (Y) has a significant value of 0.009 <0.05. These results conclude that inventory has a large influence on the quality of financial reports for employees who use the SIMAK BMN application and those responsible for compiling BMN financial reports in the Work Unit/Regional Office of the Ministry of Agriculture within the BPPSDMP. The impact of inventory is very significant on the quality of financial reports for employees who use the SIMAK BMN application and those responsible for preparing BMN financial reports in the BPPSDMP work unit/regional office of the Ministry of Agriculture. A good inventory greatly improves the quality of financial reporting. The quality of financial reporting will be better if the inventory is also running well. The findings of this study are in line with the findings of Abdul Malik Fazili and Raida Fuadi (2021) who concluded that the quality of financial reporting would increase with proper inventory. The findings of this study are also consistent with Fitriawati's research (2021) which concluded that inventory improves the quality of financial reporting. Inventory does not change BMN value, but helps to update BMN according to current situation. This ensures that the BMN value displayed accurately reflects government-controlled assets. The state property report not only shows a consistent value every year, but also highlights the realities that ultimately lead to better financial reporting.

H3 is accepted because the t test for the effect of reporting (X3) on the results of the quality of financial reports (Y) yields a significant value of 0.034 <0.05. These results conclude that reporting has a great influence on the quality of financial reports. Reports made by employees who use the SIMAK BMN application and are tasked with compiling BMN financial reports in the BPPSDMP Work Unit/Dinas of the Ministry of Agriculture have proven to have a significant influence on the quality of financial reports. The quality of financial reports is significantly enhanced by the quality of reporting. The findings of this study are in accordance with the results of research by Abdul Malik Fajri and Raida Fuadi (2021) who concluded that reporting improves the quality of financial reports. The findings of this study are also in line with the results of Fitriawati's research (2021) which concluded that reporting improves the quality of financial reports. Government Accounting Standards must be complied with and all data related to management must be included in the BMN report. The quality of BMN reports is getting better because of the awareness of officers to present all information related to BMN management.

H4 is accepted because the t-test of the effect of SIMAK BMN application (X4) on the quality of financial reports (Y) yields a significant value of 0.011 <0.05. These results conclude that the application of SIMAK BMN has a very large impact on the quality of financial reports. The application of SIMAK BMN by employees who use the SIMAK BMN application and are tasked with compiling BMN financial reports at the Satker/Kanwil BPPSDMP of the Ministry of Agriculture has proven that the quality of financial reports is significantly affected by the

SIMAK BMN application. The quality of financial reports will increase significantly with an increase in the application of SIMAK BMN. The findings of this study are in line with the research of Abdul Malik Fajri and Raida Fuadi (2021) which concluded that the quality of financial reports increases with the good application of SIMAK BMN. The findings of this study are also in line with Fitriawati's research (2021) which concluded that the application of SIMAK BMN improves the quality of financial reports. The integrated SIMAK BMN application facilitates the preparation of BMN balance sheets and reports by providing transaction data.

CONCLUSION

The purpose of this study is to investigate and analyze the influence of records, inventory, reports, and applications on the quality of the financial report. The findings of this study revealed that recording has a major/significant effect on the quality of financial statements so H1 is accepted. Improved accounting greatly improves the quality of financial reporting. Inventory has a major/significant effect on the quality of financial reports so H2 is accepted. A better inventory will significantly increase the results of financial reports. The quality of financial reporting results is very significantly affected by reporting results so H3 is accepted. Better reporting will significantly improve the quality of financial reports. The use of SIMAK-BMN has a significant effect on the results of the quality of financial reports, so H is accepted. Better application of SIMAK-BMN will greatly improve the quality of financial reporting.

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