The Influence of Employee Competence and Use of Information Technology on Financial Accountability

by Marti Widya Sari

The Influence of Employee Competence and Use of Information Technology on Financial Accountability with the Success of Information Systems as Moderating Variables

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ABSTRACT

Manuscript type: Research paper

Research aims: This study aims to determine the influence of employee competence and the use of information technology on financial accountability, and also the role of moderation in the success of the information system and how it impacts financial accountability vis-à-vis the use of information technology.

Design/Methodology/Approach: This research was implemented with a casual setting for the Local Government Work Unit (LGWU) finance department employees in Bantul Regency. Samples were taken from 150 employees with accidental sampling. Data collection was carried out using questionnaires. Data analysis was performed using the PLS-SEM method.

Research findings: Employee competence and the use of information systems have a positive and significant effect on financial accountability. The information systems' success did not moderate the influence of information technology itself on financial accountability.

Theoretical contribution/Originality: This research provides new insight into the role of moderation in the success of information systems on the influence of information technology on financial accountability.

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Practitioner/Policy implications: This study suggests that local governments can continue to improve employee competence through the use of information technology. One actionable way would be to make budget allocations for the maintenance and repair of the current information technology facilities and infrastructure.
Research limitation/Implication: While previous research has focused on the use of information technology in enhancing financial accountability, these results show that the success of information system is a moderating predictor of accountability.

Keywords: Competence, Use of Information Technology, Financial Accountability, The Success of Information system
JEL Classification: M48, O32

1. Introduction

The reform era has had a positive impact in the form of decentralisation policies and regional autonomy. The existence of regional autonomy raises demands related to regional financial accountability (Momuat, 2016). Local governments are required to account for financial management to the public through regional financial statements (Zeyn, 2011b). Financial reporting increases user confidence in the possibility of realising an expectation in uncertain conditions and changing user decisions or behaviour (Fhadillah & Yudianto, 2018).

The high number of corruption cases in the regions shows that financial accountability is still not implemented optimally. Corruption has long been seen as an obstacle to socioeconomic development. This is especially true in resource-rich developing countries (Bertot et al., 2011). In the first semester of 2020, data from the Indonesian Corruption Watch showed that corruption in Indonesia was mainly carried out by district governments, namely 62 cases, followed by village governments as many as 53 (Alamsyah, 2020). In the first semester of 2021, corruption was the most carried out by the village government in as many as 62 cases and followed by the district governments in as many as 60 cases (Alamsyah, 2021).

The Centre for State Financial Accountability Studies (PKAKN) in its study found that the accountability of regional financial statements is still low. These financial statements show that they have not fully met the elements of qualitative characteristics of financial statements. This condition is caused by problems in policies, information technology, and employee competence to support the accountability of financial statements (Noor et al., 2020).

Competence is a map of capacity over job attributes, a collection of abilities, skills, maturity, experience, effectiveness, efficiency, and success in carrying out job responsibilities (Priansa, 2016). Employee competence will affect the financial accountability of local governments. This is as shown by the results of Kurnia (2014); Farooqui & Nagendra (2014); Atmadja & Saptura (2018); Fhadillah & Yudianto (2018); Kim et al. (2019); and Noor et al. (2020) results.

Employees must have good technical competence, which is requires them to have the relevant knowledge and skills in order to achieve organisational goals. Employees are required to be able to analyse and solve problems, which will support the achievement of organisational goals and improve financial accountability at the local government level (Kurnia, 2014).

Another factor supporting financial accountability is the use of information technology. Information technology combines hardware and software in computer technology to process, store, and transmit information (Rahmawati et al., 2020). Information technology includes the collecting, organising, storing, publishing, and using of information). The use of information technology-based financial management systems in the public sector is seen as a reform in developing countries (Simpson et al., 2020).

Information technology provides convenience and benefits to save effort and time. The use of information technology allows financial data to be processed and displayed accurately and quickly increasing regional financial accountability (Noor et al., 2020). Several studies have shown the positive impact of using information technology on accountability (Bertot et al., 2011; Lindquist & Huse, 2017; Al-Shbail & Aman, 2018; Wang et al., 2018; Defitri et al. 2020; Handayani & Yudianto, 2020; Sofyani et al., 2020; Zulfaidah et al., 2020)(Al-Shbail & Aman, 2018; Bertot et al., 2011; Defitri et al., 2020; Handayani et al., 2020; Lindquist & Huse, 2017; Pilianti & Rasmini, 2021; Sofyani et al., 2020; Wang et al., 2018; Zulfaidah et al., 2020)..

An information system is a set of people, procedures, and resources for obtaining, processing or transforming, saving, and conveying information, collecting, and distributing it into organizations (Kamel et al., 2012). The success of information systems has attracted research interest in the practice of information systems and information technology (Jeyaraj, 2020). The success of information systems in carrying out their functions will strengthen the influence of the use of information technology on financial technology. This study proposes a novelty, by including the success of information systems as a moderator variable in the influence of the use of information technology on financial accountability.

The purpose of this study is to determine the influence of the use of information technology and employee competence on financial accountability, and the role of moderation in the success of the accounting system on the influence of the use of information technology on financial accountability.

2. Literature Review and Hypothesis Development

Public organisations are funded mainly through the state budget and, for this reason, are accountable to the taxpayers. The public sector in developing countries today demands strong accountability for public institutions, both at the central and regional levels (Tran et al., 2021). Accountability is a concept that is crucial to the successful implementation of government policies and programs by its officials. And there is a condition in which the actions of individuals exercising governmental power are limited by the rules and regulations that apply (Gberevbie et al., 2017).

Financial accountability is the provision of information and disclosure on the activities and financial performance of local governments to interested parties. Both the central and local governments will be subject to the provision of information to fulfil the public's rights, namely the right to know, the right to be informed, and the right to be heard and listened to (Kewo, 2017).

If you look at the definition above, there are two major stakeholders in regional financial accountability–the government which is responsible for providing information on regional financial management, and the public who needs this information. The relationship between local governments and the public related to financial accountability and financial reporting practices is basically on the concept of agency theory.

In agency theory or the theory of the relationship between owners and agents, the company is a legal entity that operates solely as a contractual bond (Nexus of Contract) for agreements between managers, shareholders, suppliers, customers, and other parties including employees (Gumanti, 2017). The government is an agent who is obliged to provide information to inform users as principals who will be used as considerations for making various economic, social, and political decisions (Sarah et al., 2020).

Regional financial accountability is influenced by many factors, including employee competence. Employee competence is knowledge and ethics in work processed by employees (Nofianti & Suseno, 2014). Employee competencies are characteristics or traits that employees have such as knowledge, skill, abilities, and personalities that

distinguish them from other employees (Potnuru & Sahoo, 2016). Human resources (HR) are one of the factors that determine the success of an institution. The presence of quality human resources will certainly affect the quality of financial statements and have an impact on government performance (Nirwana & Haliah, 2018). Competent employees will produce financial statements which are accurate, effective, and efficient so that regional financial accountability increases.

Research on the effect of employee competence on financial accountability has been carried out by other researchers, including Fhadillah & Yudianto (2018); Setyanto & Ritchie (2018); and Noor et al. (2020) who found that employee competence has a positive effect on regional financial accountability. The research of Yulisa et al. (2020) shows different results, where employee competence did not affect regional financial accountability. In addition, research by Widyatama et al. (2017) and Indriasih & Sulistyowati (2022) conducted on village government, found that the competence of the village apparatus did not affect the accountability of village fund management. The variance in the results of these studies make research on the influence of competence on financial accountability interesting and necessary to do.

Another factor that affects financial accountability is the use of information technology. Information technology is computer technology (hardware and software) for processing and storing information, as well as communication technology (voice and data networks) for convening information (Brown et al., 2012). The use of information technology will make it easier for an employee to process financial data, to increase financial accountability. Research by Rahmawati et al. (2020) obtained the results that the use of information technology supports regional financial accountability. Sarah et al.'s (2020) research conducted at village government level also found that the use of information technology affects the accountability of the village and management.

Research by Meliana & Ansar (2021) obtained results which show that the use of information technology does not affect the reliability of financial statements. Although it does not specifically discuss financial accountability, the reliability of financial statements is closely related to financial accountability. Purnomo (2016) stated that in general, financial statements can be considered the main medium of accountability, even though they have not reported the accountability of government entities as a whole. In general, annual financial reporting has three objectives, namely financial accountability, public accountability, and decision making.

Considering the results of the existing research above, then further research on the influence of the use of information technology on financial accountability needs to carried out.

An information system is a set of formal procedures by which data is collected, processed into information, and distributed to users (Hall, 2011). An information system (IS) can be an organised combination of people, hardware, software, communication networks, data resources, and policies and procedures that store, retrieve, transform, and disseminate information within an organisation (O'Brien & Marakas, 2010). An information system is deemed to be good if it is rationally able to empower the information of all institutions, and institutions can fulfil some of their goals through the use of such information (Banerjee, 2001).

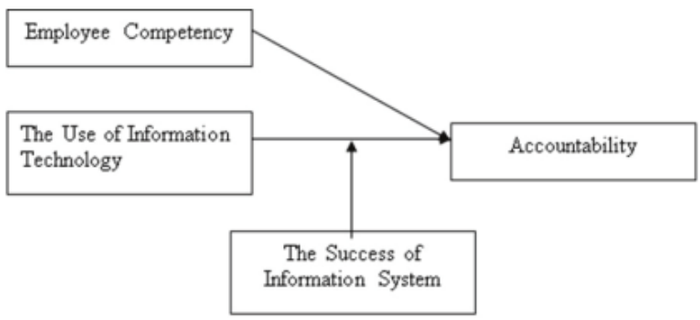
The success of the information system in this study is based on the DeLone & McLean (D&M) Model. The D&M Model provides six interrelated dimensions of information system success: system quality, information quality, service quality, (intention to) use, user satisfaction, and net benefits (Ojo, 2017). The success of information systems in carrying out their functions plays an important role in strengthening the influence of the use of information technology on financial accountability.

Based on the literature review above, it can be determined that the hypotheses in the study are:

a. Employee competence has a positive effect on financial accountability
b. The use of information technology has a positive effect on financial accountability
c. The success of information systems moderates the influence of the use of information technology on financial accountability.

Based on the literature review and hypothesis development, the proposed research model is:

Figure 1 Proposed Research Model



3. Methodology

3.1 Population and Sample

The population in this study consist of employees in the finance department of SKPD in Bantul Regency. Samples of 150 respondents were taken using accidental sampling. The respondents' profiles in this study include gender, age, education level, and length of work. The results are shown below:

Table 1: Respondent Profile Frequency

Number	Characteristic	F	%
1.	**Gender**		
	Male	94	62.7
	Female	56	37.3
	Total	150	100
2.	**Age**		
	≤ 30 years	1	0.7
	31 - 40 years	40	26.7
	41 - 50 years	62	41.3
	> 50 years	47	31.3
	Total	150	100
3.	**Education**		
	High School	19	12.7
	D3 (Associate's Degree)	10	6.7
	S1(Bachelor's Degree)	87	58.0
	S2 (Master's Degree)	34	22.7
	Total	150	100
4	**Length of Work**		
	6 - 10 years	1	0.7
	11 - 15 years	38	25.3
	16 - 20 years	68	45.3
	> 20 years	43	28.7
	Total	150	100

Table 1 shows that based on gender, the majority of respondents were men, with 94 respondents respectively (62.7 per cent). Based on age, most of the respondents were aged 41-50 years, with 62 respondents (41.3 per cent), and the fewest being the group aged ≤ 30

years old, with just 1 respondent (0.7 per cent). Based on education, most of them were educated to S1 level; i.e. having a bachelor's degree, with 87 respondents (58.0 per cent). Based on the length of work, most respondents have a work period of 16-20 years, namely 68 respondents (45.3 per cent), and at least have a work period of 6-10 years, namely 1 respondent (0.7 per cent).

3.2 Variables and Measures

3.2.1 Dependent Variable

The dependent variable in this study is regional financial accountability. This variable was measured using a questionnaire adapted from Zeyn's (2011) study. Financial accountability variables are measured using four instruments – financial planning, financial implementation, financial performance evaluation, and preparation of financial reports.

3.2.2 Independent Variable

The independent variables in this study are employee competence and the use of information technology. We measured employee competence using a questionnaire adopted from Triyanti's (2017) research. Three instruments consisting of: knowledge, skills, and behavior were used. The use of information technology was measured by a questionnaire adopted from the research of Erawati & Kurniawan (2018). Variable use of information technology is measured using seven questions related to computer technology (hardware and software), processing and storing information, and communication technology.

3.2.3 Moderating Variable

The moderating variable in this study is the success of the information system. This variable was measured by a questionnaire adopted from the Ojo (2017) study. The information system success variables were measured using the D&M Model which provides six dimensions of information system success consisting of: system quality, information quality, service quality, (intention to) use, user satisfaction, and net benefits.

4. Data Analysis

The data analysis technique in this study was carried out using Partial Least Squares- SEM (PLS-SEM)

4.1 *Test Measurement Model (Outer Model)*

The outer model or measurement model defines how each block of indicators relates to its latent variables (J. Noor, 2015). An outer model is performed to test the validity and reliability of the model (Ghozali, 2021).

4.1.1 Convergent Validity Test

Convergent validity is related to the principle that the constituent indicators of a contract should be highly correlated (Ghozali, 2021). Convergent validity is supported when each item has an outer loading above 0.70 and when the average variance extracted (AVE) is 0.05 or more (Hair et al., 2014).

4.1.2 Discriminant Validity Test

The validity of discriminants is indicated by the results showing that the indicators of different constructions are theoretically not highly correlated which each other (Brown & Moore, 2012). Testing the validity of discriminants on reflexive indicators is carried out by looking at the cross-loading value for each variable should be > 0.7 (Ghozali, 2021).

4.1.3 Reliability Test

Reliability testing was performed using Cronbach's alpha and composite reliability. In the confirmatory study, the accepted Cronbach's alpha value was >0.7, and in the exploratory study, it was > 0.6 (Ghozali, 2021). The limit of composite reliability received is if the value is ≥ 0.7 (J. Noor, 2015).

4.2 *Structural Model Test (Inner Model)*

Structural model testing (inner model) aims to predict the relationship between latent variables (Ghozali, 2021). The test was performed using the following values:

4.2.1 R-Squared values, R^2

The R-squared value is used to determine the magnitude of the influence of exogenous variables simultaneously on endogenous variables (J. Noor, 2015). R-squared values 0.75, 0.50, and 0.25 can be summed up as strong, moderate, and weak models (Ghozali, 2021).

4.2.2 *The Effect of Size Value, F^2*

The value of F^2 is used to see the substantive influence of exogenous constructs on endogenous constructs (Setiaman, 2020). The F^2 values of 0.02; 0.15; and 0.35 represent small, medium, and large effects, respectively (Ghozali, 2021). The value of F^2 is formulated as follows:

$$F^2 = \frac{R^2_{include} - R^2_{exclude}}{1 - R^2_{include}}$$

That $_{includes}$, and $R^2_{exclude}$ is the R-square of endogenous latent variables when predictors of latent variables are used or issued in structural equations (Ghozali, 2021).

4.2.3 *The Predictive Relevance Value, Q^2*

The Q^2 statistic is a jackknife version of the R^2 statistic. Q^2 represents a measure of how well the observed value is restructured by the model and its parameter estimation (Duarte & Raposo, 2010). When $Q^2 > 0$, it indicates that the model has predictive relevance (Ghozali, 2021).

4.2.4 *The Effect Size Q^2*

Effect size Q^2 is a natural predictive value from observations of its contribution to the information of endogenous variables (Setiaman, 2020). Q^2 values of 0.02; 0.15; and 35 indicate that the model is weak, moderate, and strong (Ghozali, 2021). The value Q^2 is formulated as:

$$q^2 = \frac{Q^2_{include} - Q^2_{exclude}}{1 - Q^2_{include}}$$

4.3 *Hypothesis Test*

A hypothesis test to test the significance of the influence of the independent variables on dependent variables is used as a t-test. The test criteria are as follows:

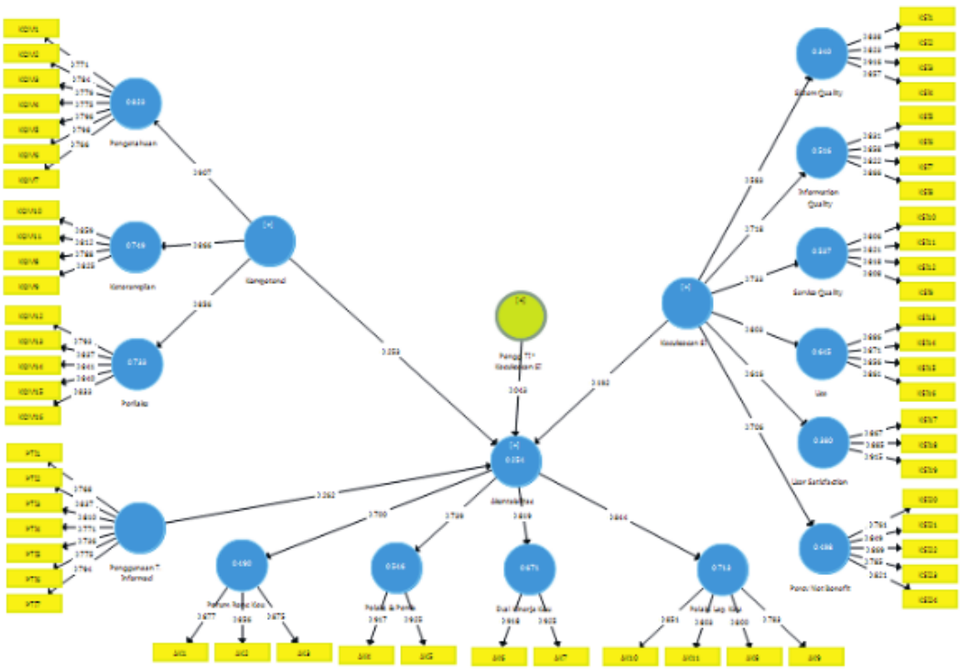
H_0 is rejected if $p \leq 0.05$
H_0 is accepted if $p > 0.05$

5. Empirical Results

5.1 Test Measurement Model (Outer Model)

The outer model, or measurement model defines how each block of indicators relates to its latent variables. The test results of the outer model can be described in the bottom figure:

Figure 2: Outer Model



Outer Model tests include convergent validity tests, discriminant validity tests, and reliability tests. The results are summarised in this bottom table:

Table 2: Outer Model Test Results

Num	Variable	Outer Loading	AVE	Cronbach's Alpha
1	**Regional Financial Accountability**			
	Financial Planning		0.756	0.839
	AK1	0.877		
	AK2	0.856		
	AK3	0.875		

Num	Variable	Outer Loading	AVE	Cronbach's Alpha
	Financial Planning		0.848	0.821
	AK4	0.917		
	AK5	0.925		
	Evaluation of Financial Performance		0.849	0.823
	AK6	0.918		
	AK7	0.925		
	Financial Statement Practice		0.656	0.825
	AK8	0.800		
	AK9	0.783		
	AK10	0.851		
	AK11	0.803		
2.	**Employee Competence**			
	Knowledge		0.611	0.894
	KOM1	0.771		
	KOM2	0.784		
	KOM3	0.779		
	KOM4	0.775		
	KOM5	0.796		
	KOM6	0.798		
	KOM7	0.766		
	Skill		0.675	0.839
	KOM8	0.788		
	KOM9	0.825		
	KOM10	0.859		
	KOM11	0.812		
	Behaviour		0.687	0.886
	KOM12	0.793		
	KOM13	0.837		
	KOM14	0.841		
	KOM15	0.840		
	KOM16	0.833		

Num	Variable	Outer Loading	AVE	Cronbach's Alpha
3.	**Use Information Technology**		0.617	0.897
	PTI1	0.768		
	PTI2	0.837		
	PTI3	0.810		
	PTI4	0.771		
	PTI5	0.736		
	PTI6	0.775		
	PTI7	0.794		
4.	**Success Information System**			
	System Quality		0.738	0.881
	KS1	0.838		
	KS2	0.823		
	KS3	0.916		
	KS4	0.857		
	Information Quality		0.713	0.866
	KS5	0.831		
	KS6	0.858		
	KS7	0.822		
	KS8	0.866		
	Service Quality		0.662	0.830
	KS9	0.808		
	KS10	0.806		
	KS11	0.821		
	KS12	0.818		
	Use		0.754	0.891
	KS13	0.886		
	KS14	0.871		
	KS15	0.856		
	KS16	0.861		
	User Satisfaction		0.790	0.868
	KS17	0.867		
	KS18	0.885		
	KS19	0,915		

Num	Variable	Outer Loading	AVE	Cronbach's Alpha
	Perceived Net Benefits		0.669	0.876
	KS20	0.761		
	KS21	0.849		
	KS22	0.869		
	KS23	0.785		
	KS24	0.821		

Table 2 shows that all indicators for all variables have an outer loading value of more than 0.7, so all indicators on all latent variables meet the convergent validity criteria. The fulfilment of convergent validity for all latent variables is also supported by an AVE value of more than 0.5. The outer loading value based on the results of the analysis is also greater than the relationship of an indicator with another latent variable (cross-loading) and also has Cronbach's alpha and composite reliability values of more than 0.7. Based on this, it is concluded that all constructs in the research model are reliable.

5.2 *Structural Model Test (Inner Model)*

Analysis of the inner model or structural model is carried out by analysing the R-squared value in the endogenous contract, the effect size value of f^2, Q^2 predictive relevance, and the effect size value of Q^2.

5.2.1 R-Squared Analysis

Based on the result of the study, it can be described the R-squared value of the endogenous construct as follows:

Table 3: R-Squared Values

Variable	R-Squared	R-Squared Adjusted
Financial Accountability	0.254	0.234
Financial Performance	0.671	0.669
Information Quality	0.516	0.512
Skills	0.749	0.748
Implementation and Financing of Activities	0.546	0.543
Implementation of Financial Report	0.713	0.711

Variable	R-Squared	R-Squared Adjusted
Knowledge	0.823	0.822
Perceived Net Benefit	0.498	0.495
Behaviour	0.733	0.731
Formulation of Financial Plans	0.490	0.487
Service Quality	0.537	0.534
System Quality	0.340	0.335
Use	0.645	0.643
User Satisfaction	0.380	0.375

Variable	R-Squared	R-Squared Adjusted
Financial Accountability	0.254	0.234
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Information Quality	0.516	0.512
Skill	0.749	0.748
Implementation and Financing Activities	0.546	0.543
Implementation of Financial Statement	0.713	0.711
Knowledge	0.823	0.822
Perceived Net Benefit	0.498	0.495
Behaviour	0.733	0.731
Formulation of Financial Plan	0.490	0.487
Service Quality	0.537	0.534
System Quality	0.340	0.335
Use	0.645	0.643
User Satisfaction	0.380	0.375

In the table above, the R-squared value of the construct of financial accountability, perceived net benefits, formulation of financial plans, system quality, and user satisfaction are included in the weak category because they have a value > 0.25. The construct of evaluating financial performance, information quality, implementation and financing of activities, implementation of financial reports, skills, behaviour, service quality, and use is included in the moderate category because it has a value of > 0.50. The knowledge construct is included in the strong category because it has a value > 0.75.

5.2.2 *Analysis of f^2*

Based on the results of the research, the value of f^2 can be described in the following table:

Table 4: Effect Size of f^2

Exclude	f^2
Employee Competence	0.074
Use of Information Technology	0.084
The Success of Information Systems	0.045

Table 4 shows that the f^2 value in the model for all variables is more than 0.02, so it is categorised as small. Based on this, the effect of employee competence, the use of information technology, and the success of information systems on regional financial accountability are included in the small category.

5.2.3 *Evaluation of Predictive Relevance, Q^2*

The Q^2 in research was obtained through a *blindfolding* procedure, namely, *constructing cross-validated redundancy*, which is the Q^2 Stone-Gleisser value. The results can be described in the following table:

Table 5: Q^2 Predictive Relevance Values

	SSO	SSE	Q^2 (=1-SSE/SSO)
Accountability	1650,000	1468,827	0.110
Evaluation of Financial Performance	300,000	131,787	0.561
Information Quality	600,000	383,490	0.361
The Success of System Information	3600,000	3600,000	
Skills	600,000	303,977	0.493
Competence	2400,000	2400,000	
Implementation and bookkeeping	300,000	164,567	0.451
Implementation of Financial State	600,000	324,803	0.459
Knowledge	1050,000	528,855	0.496
Use IT * Success of SI	150,000	150,000	
Use IT	1050,000	1050,000	
Perceived Net Benefit	750,000	505,964	0.325
Behaviour	750,000	381,767	0.491

	SSO	SSE	Q^2 (=1-SSE/SSO)
Financial Plan	450,000	287,179	0.362
Service Quality	600,000	391,926	0.347
System Quality	600,000	453,668	0.244
Use	600,000	312,395	0.479
User Satisfaction	450,000	320,717	0.287

Table 5 shows that all endogenous constructs have a value of $Q^2 > 0$, so it is concluded that the construct is considered to have predictive relevance to the research model.

5.2.4 Evaluation of Effect Size, q2

The calculation of the effect size q^2 is carried out in stages as in the *effect size* f^2 test, by eliminating the construct of employee competence, the use of information technology, and the success of information systems in turn. The test to find the value of effect size, q^2 is done by using the *blindfolding* method. The results of the calculation of effect size q^2 can be described in the following table:

Table 6: Effect Size values q^2

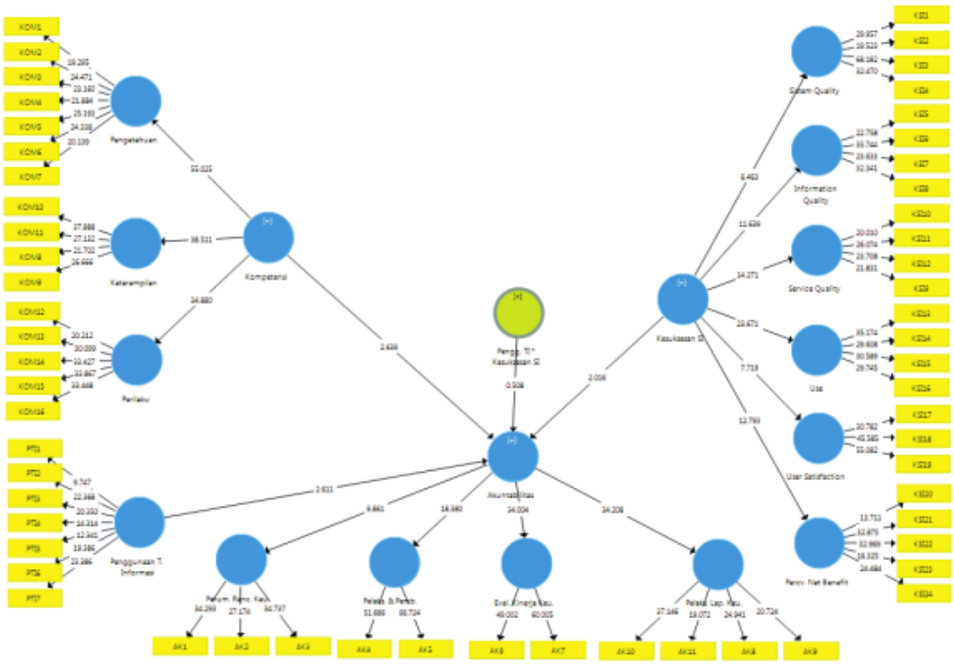
Exclude	$Q^2_{include}$	$Q^2_{exclude}$	q^2
Employee Competence		0,085	0,027
Use of Information Technology	0,110	0,081	0,033
The Success of Information Systems		0,094	0,017

Table 6 shows that the effect size q^2 in the model by eliminating the employee competency construct is 0.027. Based on q^2, which is close to the value of 0.02, the value of q^2 is a weak category. Based on this, the effect of employee competence on accountability is included in the weak category. The value of q^2 by eliminating the use of the information system construct is 0.033. Based on the value close to the value of 0.02, the value of q^2 is a weak category. Based on this, the effect of using information technology on accountability is included in the weak category. The value of q^2 by eliminating the information system success construct is 0.017. Based on the value close to the value of 0.02, the value of q^2 is a weak category. Based on this, the effect of the success of the information system on accountability is included in the weak category.

5.3 *Results and Discussion*

The result of the PLS-SEM *bootstrapping* method is described as follows:

Figure 3: Results of Structural Equation Model with Bootstrapping Method



The results of the Structural Equation Model (SEM) testing using the bootstrapping method are described in the table as follows:

Table 7: Bootstrapping Method SEM Test Results

	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (|O/ STDEV|)	P Values
Competence -> Accountability	0.253	0.096	2.639	0.009
Success IS -> Accountability	0.192	0.095	2.016	0.044
Use IT * Success IS -> Accountability	0.043	0.085	0.508	0.612
Use IT -> Accountability	0.262	0.101	2.611	0.009

Based on the table above, in testing the effect of employee competence on financial accountability, the original sample value (O) was 0.253, with a t-statistic value of 2.639 and a p-value of 0.009. The original sample value (O) is positive, and the p-value of <0.05 indicates that employee competence has a positive and significant effect on financial accountability. The results of this study supports the results of research by Fhadillah & Yudianto (2018); Setyanto & Ritchie (2018); and Noor et al. (2020). The research of Yulisa et al. (2020) obtaining employee competency results does not affect regional financial accountability.

Human resources are significant capital in the preparation of regional financial statements. Good employee competence will affect the quality of financial reports and impact government performance. Good employee competence shows that employees have good knowledge of government accounting standards and the preparation of good financial statements following the laws and regulations. Employees can also properly prepare financial reports by utilising existing technology. In addition, employees also prioritise a code of ethics and refuse any form of intervention that has the potential to violate the rules. All of these things cause employees to be able to process accounting data and present it in financial reports accurately, effectively, and efficiently so that regional financial accountability increases.

In testing the effect of the use of information technology on financial accountability, the original sample (O) value is 0.262, and the t-statistic value is 2.611 with a p-value of 0.009. The original sample value (O) is positive and the p-value < 0.05, indicating that the use of information technology has a positive and significant effect on financial accountability. The results of the study support the results of research by Rahmawati et al. (2020), as well as research by Sarah et al. (2020) which was carried out in the village government. The research by Meliana & Ansar (2021) found that the use of information technology did not affect the reliability of financial statements.

Information technology is computer technology (hardware and software) to process and store information, as well as communication technology (voice and data networks) to convey information. The utilization of information technology makes it easier for employees to process financial data. This is because through information technology, all financial management activities can be recorded and documented accurately and systematically. The preparation of financial reports can be done more quickly and on time with minimal errors, to increase regional financial accountability.

In testing the success of information systems in moderating the effect of using information technology on financial accountability, the original sample (O) value for the interaction of information technology success and information system success on financial accountability is 0.043, the t-statistic value is 0.508 with a p-value of 0.612. The p-value > 0.05, indicates that the success of the information system does not moderate the effect of the use of information technology on financial accountability. As for testing the effect of the success of the information system on financial accountability, the original sample (O) value is 0.192, the t-statistic value is 2.016 with a p-value of 0.044. With the p-value > 0.05, it is concluded that the success of the information system affects financial accountability.

If you look at these results, it can be concluded that the success of the information system is a moderating predictor (moderation predictor). This means that the success of the information system only acts as a variable that affects accountability in the research model. This is because employees who prepare financial reports do not rely on regional financial information systems as their only source of information. Employees with competence will be able to compile quality financial reports, with various available applications, without relying on regional financial information systems. This is necessary considering that the information system may have errors and cannot be used. If there is a condition where the information system cannot be used, employees with a good level of competence will be able to prepare quality financial reports, so that financial accountability will increase.

6. Conclusion

The research concludes that employee competence and the use of information systems have a positive and significant effect on financial accountability. The success of the information system does not moderate the effect of the use of information technology on financial accountability. The success of the information system in this research model acts as a variable that influences accountability. This research provides new insights about the role of moderating the success of information systems in the influence of information technology on financial accountability in local governments.

6.1 Implications

This research is empirical evidence of the influence of employee competence, the use of information systems, and the success

of information systems on local financial accountability. This is a consideration for local governments to continue to strive to improve employee competencies by providing various supporting literature and involving employees in various training and research opportunities that support the creation of more effective and efficient work practices. In addition, local governments should also prioritise the maintainence of various information technology facilities and infrastructure, for example by allocating sufficient budget for routine maintenance and repairs, so that employees have all the necessary resources for their perusal to prepare quality financial reports so that regional financial accountability is expected to increase.

6.2 Limitations and Future Research

An identifiable limitation of this study is that the study was only conducted in one district with a limited sample size. Future researchers can consider expanding their research to several districts so that research findings can become stronger empirical evidence with regards to the influence of employee competence, the use of information systems, and the success of information systems on regional financial accountability.

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