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Preface

Journal of Applied Sciences in Accounting, Finance, and Tax is a forum provided for researchers, both from universities, practitioners, and the industrial world. The publication is a result of research, studies or ideas on Accounting, Finance, and Tax.

JASAFINT is published with a focus and scope on issues on Accounting (Financial Accounting, Management Accounting, Public Accounting, Auditing, and Accounting Information Systems), Finance (Capital Market, Financial Statements Analysis, and Financing), and Tax (Income Tax, VAT, Tax Audit, and Tax Accounting).

Managed by the Department of Accounting and published by Politeknik Negeri Bali Research and Community Service Centre (P3M-PNB), this journal is intended to disseminate scientific knowledge and the application of the Accounting, Finance and Tax and is expected to be able to broaden the readers' perspective and enrich the scientific repertoire. Published on April and October (since 2018), the journal accepts articles in English with mentioned format: research results, literature studies and work reports in line with the focus and scope of JASAFINT.

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The effect of individual morality, information asymmetry and organizational culture on the tendency of accounting fraud

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ABSTRACT

This study aims to determine the effect of individual morality, information asymmetry and organizational culture on fraud tendencies. This research was conducted at LPD in Kerambitan District. The research method used in this study is a quantitative research method with primary data obtained from questionnaire data as measured by a Likert scale. The population of this study were LPD employees in Kerambitan District, while the sampling method used was purposive sampling with a total sample of 114 respondents. Data analysis used multiple linear regression using SPSS 26. Based on the results of the study, it was shown that individual morality has a negative influence on the tendency of accounting fraud. Information asymmetry has a positive effect on the tendency of accounting fraud. Organizational culture has a negative effect on the tendency of accounting fraud. The advice that researchers can give is to internal supervisory bodies (panureksa) give warnings or sanctions to employees who have bad morals and do not apply organizational culture and always supervise the preparation of financial reports to minimize fraud in the preparation of financial reports.

Keywords: individual morality, information asymmetry, organizational culture, accounting fraud tendencies

1. Introduction

The attention of global business players has been focused on the dynamics of accounting fraud. Opportunities, technological advances, and business growth all contribute to the occurrence of fraud in organizations at all levels. According to the Association of Certified Fraud Examiners (ACFE), fraud is defined as an attempt to carry out illegal acts with the intention of gaining profit, such as sending false financial reports to certain individuals or organizations. Both inside and outside the company, people commit fraud with the intention of satisfying their own needs or the needs of groups, causing harm to many people [1]. Fraud can occur anywhere, not only in bank financial institutions but can also occur in non-bank financial institutions. Accounting fraud is usually caused by several supporting factors. This can be illustrated by the fraud triangle theory proposed by Cressey (1953).

Financial institutions in Bali, especially in the Pakraman Village environment where all activities and management are carried out by the Pakraman Village are called Village Credit Institutions. Desa Pakraman is a village term or designation in Bali. The former governor, Ida Bagus Mantra, was the initiator of the LPD, where the idea was later set forth in the Governor's Decree (SK) No. 972 of 1984, LPD as an alternative to support the economic development of indigenous village communities. LPD is a financial body whose management is in the hands of Desa Pakraman with the aim of supporting the interests of krama desa, this statement is stated in the Regional Regulation of Bali Province Number 3 of 2017 Article 1. Institutions that guarantee legal protection regarding customer funds stored in LPD are not explained in Perda Number 3 of 2017. If bankruptcy or fraud occurs at the LPD, it is very unlikely that the

customer's funds will be returned, unless the Desa Pakraman is willing to take responsibility for this. The LPD is protected by awig-awig (rules made by villagers that only apply in that village) to regulate LPD governance because the LPD is a non-bank institution owned by Desa Pakraman [2].

During the 2019-2021 period, eight LPDs in Tabanan Regency managed to revive after a long period of suspended animation (inactivity). Currently in Tabanan there are 311 LPDs from 349 traditional villages as of March 2023, with total assets of IDR 2.1 trillion as of November 2022 [3]. An unhealthy LPD is caused by cases of fraud within the LPD itself, where internal parties abuse their authority and responsibilities. The following are several cases of misuse of LPD funds that occurred in several LPDs in Bali:

Table 1. Fraud Cases in LPD

No	Case	Loss Estimation	Source
1	The corruption case committed by the LPD secretary of Lubang Kec. Kerambitan, was named a suspect in 2021 but this case began to unfold from 2018-2019. The development of this case until 2022 has named 2 new suspects, namely the chairman and treasurer of the LPD.	IDR 1,101,976,1 31.92	https://bali.tribunnews.com Accessed 23 March 2022
2	The alleged corruption case committed by Ni Nyoman Puspawati and Ni Wayan Parmini as LPD savings collectors in Belusung Village, Kab. Gianyar, 2022.	IDR 2,636,956,0 00	https://www.balipost.com Accessed 23 March 2022
3	The corruption case committed by the chairperson and treasurer of the LPD in Gulingan Traditional Village, Kab. Badung, was named a suspect in 2022 but the case was revealed in 2021.	IDR 30,922,440, 294	https://radarbali.jawapos.com Accessed 23 March 2022

Source: Various online sources

Agency theory is able to state the contractual relationship between the agent and the principal. The contractual relationship in question is one or more contracts involving more than one agent to be able to perform certain services for them by delegating decision-making power to the agent [4]. Agency relationships can cause two types of problems, namely differences in goals and information asymmetry between agents and principals. Agency theory contains the goal of solving problems that occur in agency relationships regarding contracts between agents and principals. The contractual relationship with the LPD involves a delegation of authority to internal parties or the LPD manager (agent) as an extension of the village community (principal).

Accounting fraud can be caused by many factors. Individual morality is indicated as a factor causing accounting fraud in financial service institutions, one of which is the LPD. Individual morality is part of the individual itself, where in the individual has embedded traits that can influence the reasoning and even the individual's actions [5].

Another factor that causes fraud is information asymmetry [9]. Information asymmetry is a condition of information imbalance, in which one party has more information than the other party, so it is possible that one party will take advantage of the other party.

In addition to the factors described above, organizational culture is also one of the factors causing accounting fraud. Organizational culture is something that differentiates between companies or organizations that contain certain characteristics and are used as a reference within the company or organization [1].

There is a research gap in this study, the results of research on LPD in Buleleng Regency state that individual morality has a negative impact on the tendency to cheat [6]. Research conducted by Clain [7] at the Universities of the United States and France, also shows the results that moral identity or morality influences the likelihood of a violation occurring. However, contrary to the results of research on the Ambon City Government, the results did not show any influence between individual morality and the tendency to cheat [8]. The results of research in the Utan District, Sumbawa Regency stated that information asymmetry had a positive impact on accounting fraud [10]. This research is also reinforced by research conducted by Putri [11] which proves that there is a positive influence between information asymmetry and the tendency of accounting fraud when conducting research at BUMD Surakarta City. However, contrary to the findings of research on insurance companies in Bengkulu City, this study did not find any influence between information asymmetry and accounting fraud [9]. The results of research on LPDs in Buleleng Regency state that organizational culture has a negative impact on fraud tendencies [6]. Research conducted by Moses [12] on companies listed on the Nigerian stock market also shows the results that corporate culture and fraud have a negative influence or relationship. However, contrary to the findings of research in villages in Dharmasraya District, this study did not find any influence between organizational culture and accounting fraud tendencies [1].

Based on the background description, the authors are interested in discussing "The Influence of Individual Morality, Information Asymmetry and Organizational Culture on the Tendency of Accounting Fraud at LPD in Kerambitan District".

Agency theory

Agency theory is able to state the contractual relationship between the agent and the principal, which is one or more contracts involving more than one agent in order to perform certain services for them by delegating decision-making power to the agent [4]. Delegation of authority will cause more access to information about the company owned by the manager (agent) than the information owned by the owner (principal) or vice versa, with this it will trigger an information gap between the agent and the principal which is called information asymmetry. Opportunities to commit fraud or rule violations will arise if there is a gap in the information held between the agent and the principal.

Kohlberg's Theory of Moral Reasoning

Moral behavior is based on moral reasoning capacity, there are three levels of moral development that can be identified in a person, including pre-conventional, conventional, and post-conventional [13]. Individuals with a low level of moral reasoning tend to take actions that only benefit themselves, in contrast to individuals who have a high level of moral reasoning where individuals will be honest in all their actions or actions. In this study, the morality of LPD employees, both low and high, is closely related to acts of fraud, employees with low levels of moral reasoning have the opportunity to tend to commit fraudulent behavior or do things that benefit them when under pressure. In contrast, LPD employees who act with a high level of moral reasoning focus on the interests of those around them and base their actions on ethical principles [6].

Theory Fraud Triangle

Fraud triangle is a theory capable of explaining the three main causes of fraudulent financial reporting in companies [14]. Fraud Triangle Theory explains that opportunity or opportunity and rationalization factors can be the reason why an employee decides to commit fraud, opportunity, and the desire to gain benefits for oneself can motivate someone to commit fraud. In addition, leaders who do not pay special attention to the psychological state of their employees, result in employees who are under pressure, such as being in debt or lacking money, so they are motivated to cheat at work [8].

The Influence of Individual Morality on the Tendency of Accounting Fraud

Individual morality is indicated as a factor causing accounting fraud in financial service institutions, one of which is the LPD. Individual morality is part of the individual itself, where

in the individual has embedded traits that can influence the reasoning and even the individual's actions [5]. This statement is in accordance with the research findings of Pujayani [6], hypotheses that can be proposed based on the explanations and results of previous research, namely:

H1: Individual morality has a negative effect on the tendency of accounting fraud.

The Effect of Information Asymmetry on the Tendency of Accounting Fraud

Information asymmetry occurs when one party has more knowledge than the other, allowing that party to take advantage of the other party [9]. In accordance with agency theory, access to company information that is greater from the agent compared to the principal or vice versa will trigger an information gap between the two parties. This statement is in accordance with the research findings of Komala [10], hypotheses that can be proposed based on the explanations and results of previous research, namely:

H2: Information asymmetry has a positive effect on the tendency of accounting fraud

The Influence of Organizational Culture on the Tendency of Accounting Fraud

Organizational culture is something that differentiates between companies or organizations that contain certain characteristics and are used as a reference within the company or organization [1]. The application of a good organizational culture will also have a good impact on the effectiveness of organizational management so that it can reduce the occurrence of fraudulent tendencies. Good individual character can be formed from the application of a good organizational culture [6]. This statement is in accordance with the research findings of Pujayani [6], hypotheses that can be proposed based on the explanations and results of previous research, namely:

H3: Organizational culture has a negative effect on the tendency of accounting fraud.

2. Method

This research was conducted at the LPD in Kerambitan District, Tabanan Regency. This location was chosen because there was a case of fraud in one of the LPD in Kerambitan Sub-District, namely the LPD Desa Adat Tubang. LPD employees in Kerambitan District as a population with a total of 119 employees and a total of 27 LPD units. Purposive sampling was chosen as the sampling method because the samples were taken from sources that were deliberately identified or selected according to certain criteria, with a sample of 114 people. The criteria for determining the sample are as follows:

- 1) Employees at LPD in Kerambitan District who are still actively working
- 2) LPD employees who have worked for at least 1 year
- 3) LPD employees who are directly related to the financial management or financial activities of the LPD

The samples in this study included the chairman, secretary, treasurer, administration, accounting department, credit department, savings collector, and cashier. The sample in this study uses employees who have a direct relationship with the financial activities of the LPD, it is possible that these employees can commit fraud because they play a direct role in managing the LPD's finances. As an example of a savings collector, a collector who collects money from the public or a customer who wants to save may not hand over the money to an authorized LPD employee and not record it.

This study uses a questionnaire as one of the two data collection methods. Questionnaires were distributed to LPD employees in Kerambitan District who met the criteria, the questionnaire contained written statements using a Likert scale with a range of values 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), and 5 (strongly agree). The second technique uses interviews, interviews were conducted with one of the LPD in Kerambitan District. The dependent variable in this study is the tendency to cheat, while the independent variables in this study are individual morality, information asymmetry and organizational culture. The fraud tendency variable is measured by indicators (1) create a culture of honesty, openness and mutual assistance, (2) honest recruitment process, (3) fraud awareness training,

(4) positive work environment, (5) clear code of ethics, easy to understand, and obey, (6) an assistance program for employees who are in trouble, and (7) instill the impression that every act of fraud will be penalized [15]. Individual morality variables are measured by indicators of the level of moral reasoning, (1) pre-conventional, (2) conventional, and (3) post-conventional [10]. The information asymmetry variable is measured by indicators, (1) employees have better information on organizational activities, (2) employees understand more about what they want to achieve, (3) employees know more about input-output relationships, (4) employees know more about work potential, (5) employees know more about the technical work, and (6) employees know more about external factors [9]. Organizational culture variables are measured by indicators, (1) visible role models, (2) components of ethical expectations, (3) ethical training, (4) punishments for ethical actions, and (5) ethical protection mechanisms [9]. Data analysis using multiple linear regression.

3. Results and Discussion

Descriptive Statistics Test

Table 2. Descriptive Statistics Test Results

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
Moralitas individu	114	10	33	20.39	4.690
Asimetri informasi	114	12	30	20.34	5.193
Budaya organisasi	114	10	25	18.50	3.897
Kecenderungan kecurangan	114	50	95	78.65	9.683
Valid N (listwise)	114				

Source: Processed data, 2022

According to the findings of the descriptive statistics in table 2, the individual morality variable has a value range of 10 to 33. The mean and standard deviation values are 20.39 and 4.690, respectively. The information asymmetry variable ranged from 12 to 30, with 30 being the maximum value. The mean and standard deviation values are 20.34 and 5.193, respectively. The minimum and maximum values for organizational culture variables are 10 and 25, respectively. The mean and standard deviation values are 18.50 and 3.897, respectively. The minimum value is 50 and the maximum value is 95 for the fraud tendency variable. The mean and standard deviation values are 78.65 and 9.683, respectively.

Research Instrument Validity Test

The results of the instrument test using questionnaires distributed to 114 respondents stated that all variable indicators in this study were valid because the Pearson correlation value was > 0.30 and the significance was < 0.05 .

Research Instrument Reliability Test

The test results state that all variable instruments pass the reliability test, which indicates that the instrument is reliable because it has an alpha value greater than 0.70.

Classic assumption test

The normality test can be seen from the significance of the Kolmogorov-Smirnov test > 0.05 ($0.200 > 0.05$), then the regression equation can be said to be normally distributed. Tolerance values > 0.10 and VIF values < 10.00 on the multicollinearity test indicate that this study does not show multicollinearity. The results of the heteroscedasticity test carried out by the Glejser test revealed that all variables had a significant value greater than 0.05, it can be said that this study was free from heteroscedasticity.

Table 3. Multiple Linear Regression Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	98.518	7.853		12.545	.000
Moralitas individu	-.799	.186	-.387	-4.308	.000
Asimetri informasi	.367	.180	.197	2.043	.043
Budaya organisasi	-.597	.234	-.240	-2.550	.012

Source: Processed data, 2022

Based on the results of the multiple linear regression test, a multiple regression equation is obtained as follows:

$$Y = 98.518 - 0.799X_1 + 0.367X_2 - 0.597X_3 \dots \dots \dots (1)$$

Individual morality, information asymmetry, and organizational culture can all be explained by a constant coefficient value of 98.518 in the regression equation, which means that if these three variables are set to zero (0), then the tendency to cheat will increase. The regression coefficient value for morality is -0.799, so an increase in the morality variable can reduce the tendency to cheat. The information asymmetry regression coefficient is 0.367, which indicates that an increase in this variable can lead to a higher tendency to cheat. The regression coefficient of organizational culture is -0.597, indicating that an increase in this variable can reduce the tendency to cheat.

Determination Coefficient Test

The adjusted coefficient of determination (R²) test result is 0.506. This analysis shows that individual morality, information asymmetry, and organizational culture contribute 50.6% of the variance of fraud tendencies. While other factors not included in this study contributed 49.4%.

Model Feasibility Test (F Test)

The calculated F value from the model feasibility test (F test) is 39.507 > F table 2.69, with a sig value of 0.000 indicating statistical significance. This shows that model testing is possible and hypothesis verification can be continued with a 5% confidence level.

The Effect of Individual Morality on the Tendency of Accounting Fraud

Partially, the t test was used to compare the significance of t with α (0.05). Individual morality significance value 0.000 < α (0.05) and t count -4.308 > t table -1.981 means that H₀ is rejected and H₁ can be accepted, it is proven that individual morality can have a negative and significant influence on accounting fraud tendencies.

Low or high levels of individual moral reasoning affect the tendency to cheat, this is in accordance with the level of moral reasoning theory put forward by Kohlberg. The lower the morale of an individual, the greater the opportunity for the individual to commit fraud. Apart from having responsibility towards LPD customers or the village community, individuals also have awareness and fear of God, which causes these individuals to have high morale and integrity at work. In relation to agency theory, if the leader's morale is good, information related to LPD management will be conveyed to subordinates or even the public in a transparent or actual situation. That way, fraud in the LPD can be minimized and even prevented.

This is in line with the findings of Pujayani [6] who examined LPDs in Buleleng Regency and found that individual morality had a negative impact on the tendency to cheat. This research is also strengthened by research conducted by Putri [11] which proves that there is a negative influence between individual morality and the tendency for accounting fraud when conducting research at BUMD Surakarta City. The same results were also obtained by Komala [10] when conducting research in Utan District, Sumbawa Regency, there was a negative effect between individual morality and the tendency of accounting fraud. That is, the better the morale of the individual, the opportunity to commit acts of fraud can be minimized.

The Effect of Information Asymmetry on the Tendency of Accounting Fraud

Partially, the t test was used to compare the significance of t with α (0.05). Information asymmetry significance value $0.043 < \alpha(0.05)$ and t count $2.043 > t$ table 1.981 means that H0 is rejected and H2 can be accepted, it is proven that information asymmetry can have a positive and significant influence on accounting fraud tendencies.

This lack of information means that LPD staff and management may be tempted to commit fraud by providing wrong financial data to LPD customers and the local community. However, this can be prevented if the LPD manager implements transparency on all matters related to LPD management. Then hold regular meetings between LPD managers and external LPD parties or customers to discuss LPD management and evaluate if it is felt that the performance of employees or LPD managers is lacking or not even as it should be. This is in line with agency theory, where there is more access to information about companies owned by LPD managers (agents) than information held by owners or external parties (principals) or vice versa which will trigger an information gap between agents and principals.

In line with research conducted by Pujayani and Dewi (2021) on LPDs in Buleleng Regency found that information asymmetry has a positive influence on the tendency of accounting fraud This research is also reinforced by research conducted [11] which proves that there is a positive influence between information asymmetry and the tendency for accounting fraud when conducting research at BUMD Surakarta City. The same results were also obtained [10] when conducting research in Utan District, Sumbawa Regency, there was a positive influence between information asymmetry and the tendency of accounting fraud. That is, the lower the information imbalance or information asymmetry, the lower the opportunity to commit fraud.

The Influence of Organizational Culture on the Tendency of Accounting Fraud

Partially, the t test was used to compare the significance of t with α (0.05). Organizational culture significance value $0.012 < \alpha$ (0.05) and t count $-2.550 > t$ table -1.981 means that H0 is rejected and H3 is acceptable, it is proven that organizational culture can have a negative and significant influence on accounting fraud tendencies.

One of the factors that can influence fraud is organizational culture, an organizational culture that can be implemented properly will reduce the space for employees to commit fraud. The application of organizational culture in LPD is like one of the indicators for measuring organizational culture, namely visible role capital, meaning that leaders are used as role models in acting. The role of the leader in creating organizational culture is very important, if the behavior or actions of the leader are good then employees tend to follow it. Looking at the results of the questionnaires that have been distributed to LPD employees, the most widely approved indicator is a visible role model, or the leader is used as a role model in acting because the behavior of the leader can also determine the direction of the actions of subordinates. The results of this study were reinforced by information from one of the employees at the Serongga Traditional Village LPD, Mr. Agus stated that a good leader will produce a good culture within the organization. In accordance with the facts on the ground, employees work according to the leadership's way of working. According to the fraud triangle theory, there are three motivations or causes that cause people to commit fraud, wrong justification (rationalization). Justification (rationalization) is a characteristic or ethical value that allows management and employees to act fraudulently thereby being in a dishonest environment. Organizational culture can serve as a moral compass, influencing employees to make moral decisions in all situations. In relation to agency theory, if the leader is used as a reference in acting, the leader must reflect an honest attitude at work, both in conveying information about LPD management and working according to the duties or jobdesk of each employee.

The findings of this study are in line with the findings of Pujayani [6] who examined LPDs in Buleleng Regency and found that organizational culture had a negative impact on the tendency of accounting fraud. This research is also reinforced by research conducted by Halimatusyadiah [9], which proves that there is a negative influence between organizational

culture and the tendency for accounting fraud when conducting research on insurance companies in Bengkulu City. The same results were obtained by Dewi [5] when conducting research on Savings and Loans Cooperatives in Tegalalang District, there was a negative influence between organizational culture and accounting fraud. That is, the better the implementation of organizational culture, the lower the opportunity to commit acts of fraud.

4. Conclusion

This study draws conclusions regarding the influence of individual morality, information asymmetry, and organizational culture on accounting fraud tendencies. According to agency theory, individual morality is a factor that influences the tendency of accounting fraud. With high individual morality, LPD employees will always be honest or not commit fraud in compiling financial reports, so that later they will be able to present quality financial reports to those who need financial reports.

Information asymmetry in accordance with agency theory is a factor that influences the tendency of accounting fraud. Having access to information that is known to more LPD employees than customers or the public will provide opportunities for LPD employees to commit fraud.

Organizational culture according to agency theory is a factor that influences the tendency of accounting fraud. The implementation of an organizational culture that is already running well will make LPD employees always follow the regulations that apply in the company in preparing financial reports, so that later they will be able to present quality financial reports to those who need financial reports.

The limitations of the research are that it was only carried out on the LPD in the Kerambitan District and only used three variables. It is recommended for future researchers to develop research areas and select research variables, for example conducting research on LPDs in Tabanan Regency or even LPDs in Bali and being able to examine and examine more deeply other factors not discussed in this study that can influence the tendency to cheat. While many other factors, such as internal control variables and compliance with accounting rules, also affect the likelihood of accounting fraud.

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Fiscal decentralization and human development index: Examining the moderating effect of capital spending in Bali

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ABSTRACT

Human Development Index is one of the indicators that can be used to measure the success or performance of a country or region in human development. In 2022, Bali Province was one of the provinces with a "high" HDI achievement but is still faced with a gap in the HDI achievement rate between each region in Bali Province. The gap in the HDI achievement rate of each region in Bali Province indicates that the fiscal decentralization process in the regional autonomy policy has not been able to run optimally. This research examines the effect of fiscal decentralization on the human development index of regencies/municipalities in Bali Province using capital expenditure as a moderating variable to explain contingency factors that are thought to influence the effect of fiscal decentralization on the human development index. Using data on HDI achievement and realization of regional revenue and expenditure budgets of Bali Province for the period 2014-2019. The analysis technique used is Moderated Regression Analysis (MRA) with SPSS application. The results prove that partial fiscal decentralization has a significant positive effect on the human development index. Capital expenditure is able to weaken the positive effect of fiscal decentralization on the human development index. When a region has good regional financial independence, the local government will be able to manage its regional income in order to improve and improve public services, which will ultimately be able to improve the welfare of the community.

Keywords: human development index, fiscal decentralization, capital expenditure

1. Introduction

Research Background

Bali Province is one of the provinces in Indonesia that has great economic and tourism potential. However, behind this potential, Bali Province still faces various challenges, especially in improving the quality of life of its population. One of the indicators that can be used to measure the quality of life of the population is the Human Development Index (HDI). The Human Development Index is one of the important indicators to measure success in efforts to build the quality of human life [1]. The Central Bureau of Statistics (BPS) of Bali Province noted that the HDI of Bali Province in 2022 had reached 76.44 points. The achievement of the HDI figure of Bali Province in 2022 places Bali Province still in a "high" status.

However, all regions in Bali Province have not felt this good achievement of the HDI figure of Bali Province. There are still several regions in Bali Province whose regional HDI achievements have not reached 76.44 points (below the provincial achievement). The regions are Jembrana Regency, Klungkung Regency, Bangli Regency, Karangasem Regency, and Buleleng Regency. This data shows a gap in HDI achievement rates between each region in Bali Province. This condition is certainly a challenge for local governments to reduce the disparities that occur, especially in the field of human development. This challenge may be

even more severe considering that from 2020 to 2022, there was a Covid-19 pandemic which greatly impacted Bali Province, especially in the tourism sector.

Table 1. Human Development Index of Bali Province by Regency/City 2014-2022

Regency / City	Year							HDI Status in 2022
	2014	2015	2016	2017	2018	2019	2022	
Jembrana	68.67*	69.66*	70.38*	70.72*	71.65*	72.35*	73.58*	High
Tabanan	72.68	73.54	74.19	74.86	75.45	76.16	76.75	High
Badung	77.98	78.86	79.80	80.54	80.87	81.59	82.13	Very High
Gianyar	74.29	75.03	75.70	76.09	76.61	77.14	78.39	High
Klungkung	68.30*	68.98*	69.31*	70.13*	70.90*	71.71*	72.55*	High
Bangli	65.75*	66.24*	67.03*	68.24*	68.96*	69.35*	70.26*	High
Karangasem	64.01*	64.68*	65.23*	65.57*	66.49*	67.34*	68.28*	Medium
Buleleng	69.19*	70.03*	70.65*	71.11*	71.70*	72.30*	73.45*	High
Denpasar	81.65	82.24	82.58	83.01	83.30	83.68	84.37	Very High
Bali Province	72.48	73.27	73.65	74.30	74.77	75.38	76.44	High

*Regions with HDI achievements below Bali Province

Source: Central Bureau of Statistics of Bali Province, 2023

HDI is a composite index of the education, health, and purchasing power indices which is expected to measure the level of success of human development as reflected by a population that is educated, healthy and long-lived, skilled and has an income for a decent life [2] Increasing HDI achievements in autonomous regions is a big responsibility for a government that runs the autonomous region. Government efforts in increasing HDI can certainly be done by allocating regional income sources to the regional budget with the right target. The regional budget can be allocated to sectors that can increase HDI, such as education, health, and infrastructure.

The gap in the HDI achievement rate of each region in Bali Province indicates that the fiscal decentralization process in the regional autonomy policy has not been able to run optimally. Local governments can use fiscal policy instruments such as maximizing the use of local revenue as a source of funding for spending on sectors that can increase the value of the human development index. One indicator that can be used to measure a region's fiscal decentralization level is the ratio of total local revenue to the total revenue of the region [3].

Based on the Bali Province Budget Realization Report in 2019 (before the Covid-19 pandemic), the highest amount of local revenue was in Badung Regency, which amounted to Rp 4,835,188,460,000 then in second place was occupied by Denpasar City, which amounted to Rp 1,145,938,988,000, and in the last place was Bangli Regency, which amounted to Rp 127,040,436,000. If aligned with data on HDI achievements in each region in Bali Province in 2019, it shows an interesting phenomenon. The highest realization of local revenue in 2019 was owned by Badung Regency, but it has not been able to achieve the highest HDI figure in Bali Province. Likewise, Bangli Regency has the smallest realization of local revenue, but the lowest HDI achievement in Pengaruh Desentralisasi Fiskal Bali Province in 2019 is Karangasem Regency. This phenomenon can be a sign that the implementation of fiscal decentralization in each region in Bali Province still needs to be optimized.

In their research, [4] stated that fiscal decentralization had a positive and significant effect on the Human Development Index in 9 cities in East Java Province from 2008-2017. This is in line with research conducted by [5] that stated that local revenue significantly affects the human development index in the district/city of South Sulawesi Province in 2013-2020. However, different results were found by [6], their research stated that fiscal decentralization

has a negative effect on the human development index. The differences in research findings related to the effect of fiscal decentralization on the human development index can certainly be influenced by various factors that occur in each region. Different research results can also be caused by contingency factors that can weaken or strengthen the influence of fiscal decentralization on the human development index.

Local governments should be able to further optimize the fiscal decentralization process by making appropriate allocations to prepare the Regional Budget. In essence, the preparation of the Regional Budget is used to improve the welfare of the people of a region and is prioritized for the public interest. Allocation of budget expenditure into the right post and following the needs will trigger positive growth in public welfare [7]. If allocated appropriately, the allocation of regional expenditure should be able to improve the community's welfare. However, when there is a conflict of interest between the community and the government, it will cause regional expenditure in the form of capital expenditure to be less than maximally useful. Good financial management can be seen in local government policies that allocate more of the budget to the interests of the community, which is called capital expenditure.

The allocation between capital expenditure and routine expenditure can be given the right allocation and adjusted to the region's circumstances. During President Joko Widodo's administration, government policy emphasized a greater allocation of capital expenditure, especially in the infrastructure sector, to accelerate national development and improve people's welfare. This policy certainly needs to be harmonized and implemented by local governments in the realization of regional expenditures. Local governments are expected to allocate a larger portion of capital expenditure than routine expenditure.

The Government of Bali as the executor of the autonomous regional government is faced with the obligation to manage its region independently, and can carry out the fiscal decentralization process properly. Given that Bali Province has attraction of tourists and cultural objects, it has a large amount of local revenue and continues to increase every year. This sizable regional revenue is expected to be managed properly by the government so that the community can feel the benefits of local revenue, which is the main actor in generating this revenue. Capital expenditure allocation strategies by local governments play an equally important role in improving the welfare of the community, which will be reflected in an increasing HDI index.

Based on the preliminary explanation related to the gap in the achievement of the human development index, researchers feel the need to re-examine the effect of fiscal decentralization on the human development index of regencies/cities in Bali Province. This research will use capital expenditure as a moderating variable to explain the contingency factors that influence fiscal decentralization's effect on the human development index. The data used in this research is following the enactment of President Joko Widodo's policy related to accelerating and increasing the realization of capital expenditure from 2014 to 2019. The problem formulations in this research are (1) Does fiscal decentralization affect the human development index; (2) Does capital expenditure moderate the effect of fiscal decentralization on the human development index.

Literature Review

Agency relationship is an agreement (contract) between two parties, the principal and the agent, where the principal authorizes the agent to make decisions on behalf of the principal [8]. In the public sector, the principal party is the community proxied by the house of representatives at the provincial and the local government is the agent. The local government (agent) should act following the principal's will (society). Sometimes, in reality local governments behave opportunistically in making decisions related to the public [9]. This is in accordance with agency theory, between principals and agents do not always have the same interests (conflict of interest) and agents tend to take actions that maximize their utility.

The United Nations Development Programme (UNDP) in 1990 introduced the Human Development Index, an indicator that can describe the development of human development in

a measurable and representative manner. The Central Bureau of Statistics (BPS) suggests that the HDI concept is formed by three basic dimensions, longevity and healthy life (a long and healthy life), knowledge, and decent standard of living [2]. The HDI figure ranges from 0 to 100, which means that closer to 100 indicates better human development [10].

Listed in Law No. 32/2004 concerning regional government, decentralization is the transfer of government authority by the government to autonomous regions to manage their own regional affairs. Fiscal decentralization is revenue or expenditure that is managed by the authorities from the national to the local level [11]. A good implementation of fiscal decentralization can be achieved when local governments can manage their local finances in an appropriate manner, and minimize dependence on the central government. Through the ratio of the degree of decentralization, it can be seen how much the local government can carry out decentralization by increasing local revenue, which is indicated by the contribution of local revenue to local revenue [12].

Capital expenditure is regional expenditure that is allocated fairly and evenly so that it can be enjoyed by all levels of society without discrimination, especially in public services [13]. Capital expenditure is one component of direct expenditure which functions to finance investment needs. Capital expenditure is the purchase, procurement, or construction of tangible fixed assets whose useful value is more than a year, and or the use of services in local government programs and activities [14].

Financial reports are the result of the process of identifying, measuring, and recording economic transactions of an entity which is used as the basis of information in the context of accountability for financial management and as a basis for making economic decisions by external parties to the entity that need it [15]. Local government financial statements are a description of the performance results of regional achievements for certain activities that use funds in the form of expenditures or financing as well as revenue funds received from local revenue, transfer funds, donations, and balancing funds from the central government [16]. According to the government accounting conceptual framework, financial statements are used to compare the realization of revenue, expenditure, transfers, and financing with the established budget, assess financial condition, evaluate the effectiveness and efficiency of a reporting entity, and help determine its compliance with laws and regulations.

The implementation of good fiscal decentralization can be achieved when local governments can manage their local finances in an appropriate manner, and minimize dependence on the central government. Through the ratio of the degree of decentralization, it can be seen how much the local government's ability to carry out decentralization by increasing local revenue, which is indicated by the contribution of local revenue to local revenue [12]. The greater the local own-source revenue, the freer the local government is to be able to allocate finances to sectors that can prosper the community, costs for increasing life expectancy index, education costs, and in the field of purchasing power parity, all three of which are the basis for measuring HDI. In their research, [4] found that fiscal decentralization positively and significantly affected the Human Development Index in 9 cities in East Java Province in 2008-2017. This is in line with research conducted by Rusydi et.al. (2022) that found that local revenue significantly affects the human development index in the districts / cities of South Sulawesi Province in 2013-2020 [14]. A region's increasing degree of fiscal decentralization will increase the achievement of the human development index.

H1. Fiscal decentralization has a positive effect on the human development index.

Capital expenditure has a very important role in improving the community's welfare, especially in improving public facilities and infrastructure to support improved services in the public sector. Appropriate allocation of capital expenditures such as revamping regional infrastructure and adequate public facilities will improve the quality and quantity, increase regional productivity and community income, and increase the Human Development Index [17]. The budget allocated for capital expenditures needs to adjust to the ability of local revenues, especially local own-source revenues reflected in the degree of fiscal

decentralization. If the amount of local revenue is sufficient, the local government will be more free to allocate the budget to realize capital expenditures to increase the human development index. In this research, capital expenditure is expected to moderate the effect of fiscal decentralization on the human development index. A region's increasing degree of fiscal decentralization will increase the achievement of the human development index. It will increase further if the government increases the realization of capital expenditure. In their research, [18] found that capital expenditure can moderate the effect of regional financial components on the human development index of regencies / cities in Bali Province in 2008-2013. This aligns with research conducted by [19] that found that the allocation of capital expenditure moderates the effect of regional fiscal space on HDI.

H2. Capital expenditure moderates the effect of fiscal decentralization on the human development index.

2. Method

This research is quantitative, in the form of associative research where research examines the effect of an independent variable on the dependent variable or knows the relationship between variables. The relationship between variables in this research is presented in the conceptual framework as figure 1.

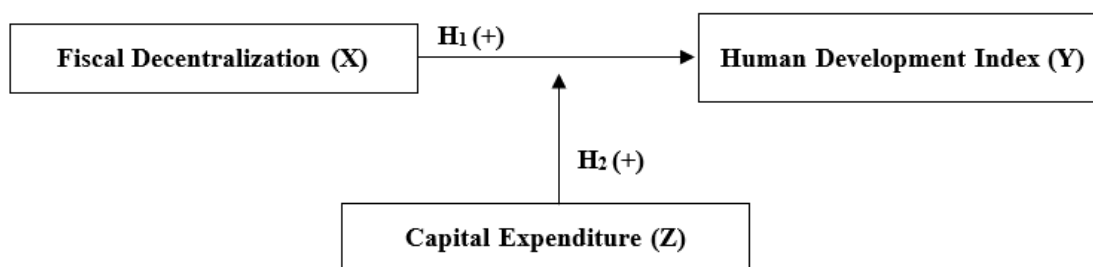


Figure 1. Conceptual Framework

The object studied in this research is the Bali Province Human Development Index Report 2014-2019 and the Bali Province Regency / City Regional Budget Realization Report 2014-2019. The population in this research is all data in the Regional Budget Realization Reports of all regencies / cities in Bali Province and the Bali Province Human Development Index Report 2014-2019. The sampling method used is using saturation sample. The sample used in this research is all members of the population, the Regional Budget Realization Reports of all regencies / cities in Bali Province and the Bali Province Human Development Index Report 2014-2019 consisting of 8 regencies and 1 municipality with a period of 6 years (2014-2019) so that the number of samples in this research amounted to 54 samples.

In this research the data used is panel data, which is data that combines cross data and time series data so that it will have several objects and several time periods. The type of data in this research is secondary data.

The human development index variable comes from various sources of data and information collected by the Central Bureau of Statistics at the regional level. The human development index data used in this research is the HDI achievement rate of each district and city in Bali Province for the 2014-2019.

The degree of decentralization is calculated based on the ratio between the amount of local revenue and total local revenue. The measurement parameter of the fiscal decentralization variable is the ratio of regional own-source revenue to total regional revenue from each regency and city in Bali Province for the 2014-2019.

The capital expenditure variable is obtained from the total realization of capital expenditure by each regency and city in Bali Province for the 2014-2019.

The data collection method used in this research is non-participant observation. Data collected through non-participant observation by observing documents or records produced by other parties related to this research, such as recording, quoting, and collecting data from documents contained in the Bali Provincial Bureau of Finance and the Bali Provincial Statistics Agency as well as the results of previous research and books that support the argumentation of the results of this research.

The analysis technique used in this research is to use the Moderated Regression Analysis (MRA) technique using the SPSS (Statistical Product and Service Solution) program. This technique is used to see the effect of fiscal decentralization on the Human Development Index with capital expenditure as a moderating variable. The data analysis used in this research is Moderated Regression Analysis (MRA). There are two regression equation models in this research as follows:

$$Y = \alpha + \beta_1X + \varepsilon \dots\dots\dots (1)$$

$$Y = \alpha + \beta_1X + \beta_2Z + \beta_3X*Z + \varepsilon \dots\dots\dots (2)$$

3. Results and Discussion

Data Analysis and Hypothesis Test Results

Before conducting the Moderated Regression Analysis test, the data used in the research has passed a series of classical assumption tests, including normality, autocorrelation, multicollinearity, and heteroscedasticity tests. The results of the classical assumption test show that the data used is normally distributed, free from autocorrelation, has no multicollinearity between variables, and does not contain symptoms of heteroscedasticity. After fulfilling the classical assumption test requirements, the data can be tested for Moderated Regression Analysis with the results in table 2.

Table 2. Moderation Regression Analysis Results

Model	Unstandardized Coefficients		Sig.	Significance	Hypothesis Results
	B	Std. Error			
1	(Constant)	68.059	.773	.000	-
	Fiscal Decentralization	.184	.022	.000	Significant
2	(Constant)	62.741	1.752	.000	-
	Fiscal Decentralization (FD)	.406	.045	.000	Significant
	Capital Spending (CS)	1.272	.000	.112	Not Significant
	FD * CS	-3.437	.000	.001	Significant

a. Dependent Variable: Human Development Index
 Source: Processed Secondary Data, 2023

Based on the results of the Moderated Regression Analysis test, it can be seen that:

1) Regression Equation Model 1

The regression coefficient value of fiscal decentralization is 0.184 with a significance level of $0.000 < 0.05$. This result means that fiscal decentralization has a significant positive effect on the human development index. Hypothesis 1 in this research is accepted.

2) Regression Equation Model 2

(1) The regression coefficient value of fiscal decentralization is 0.406 with a significance level of $0.000 < 0.05$. This result means that with the moderating interaction of capital expenditure, partially fiscal decentralization has a significant positive effect on the human development index.

- (2) The regression coefficient value of capital expenditure is 1.272 with a significance level of $0.112 > 0.05$. This result means that with the moderating interaction of capital expenditure, partially capital expenditure has a positive and insignificant effect on the human development index.
- (3) The regression coefficient value of capital expenditure moderation in the relationship of fiscal decentralization on the human development index is -3.437 with a significance level of $0.001 < 0.05$. This result means that capital expenditure can moderate (weaken) the positive effect of fiscal decentralization on the human development index. Hypothesis 2 in this research is accepted.

As evidence that the regression model used is suitable for use as an analytical tool, it is necessary to test the suitability of the model (f test). Because the research tests the effect of the independent variable on the dependent variable, it is necessary to measure the ability of the independent variable to explain the variation in changes in the dependent variable by analyzing the coefficient of determination (adjusted r square). The results of the f test and the coefficient of determination analysis in this research are presented in table 3:

Table 3. Model Fit Test (Test f) and Coefficient of Determination (Adjusted R Square)

Model	R	R Square	Adjusted R Square	Adjusted R Square Change	F	Sig. F
1	.758 ^a	.575	.567	.567	70.406	.000
2	.855 ^c	.731	.714	.147	45.183	.000

a. Fiscal Decentralization

b. Fiscal Decentralization, Capital Spending, Fiscal Decentralization*Capital Spending

Source: Processed Secondary Data, 2023

Based on the results of the model fit test (f test) in Table 3, it can be seen that the p-value (Sig. F) of the two regression equations is 0.000 less than the $\alpha = 0.05$ value. This shows that the two regression equation models used in this research are suitable for an analytical tool to test the effect of independent and moderation variables on the dependent variable. Regarding the coefficient of determination analysis, the first regression equation model obtained an adjusted r square value of 0.567 which means that 56.7% of the variation in HDI changes can be explained by the fiscal decentralization variable. In the second regression equation model, there is an increase in the adjusted r square value to 0.714, which means that 71.4% of the variation in HDI changes can be explained by the variables of fiscal decentralization, capital expenditure, and the interaction of moderating capital expenditure variables.

Discussion

Based on data testing results, partially fiscal decentralization has a significant positive effect on the human development index. These results accept hypothesis 1, fiscal decentralization has a positive effect on the human development index in the Regency / City of Bali Province in 2014-2019. When a region has good regional financial independence, the local government will be able to manage its regional income in order to improve and improve public services, meet public needs, carry out government activities properly, and finance regional development which will ultimately be able to improve the welfare of its people as measured by the achievement of the region's HDI. The financial independence of a region is inseparable from the role of local revenue in financing government spending. Suppose the local revenue of a region can increase. In that case, the dependence of a region on external assistance can be reduced so that the implementation of development can run well and the realization of community welfare. These results are in line with research conducted in East Java Province in 2019, fiscal decentralization has a positive and significant effect on the Human Development Index in 9 cities in East Java Province in 2008-2017 [17]. In relation to Agency Theory, local governments have been able to manage their local revenues in order to improve and improve public services that have an

impact on increasing HDI so that it does not indicate an agency conflict. A region's financial independence level can be measured by the ability of local revenue to finance its own regional development. The main objective of regional development is to improve the welfare of the community for the better in the future.

Based on the data testing results, capital expenditure can moderate (weaken) the positive effect of fiscal decentralization on the human development index. These results accept hypothesis 2, capital expenditure moderates the effect of fiscal decentralization on the human development index in the Regency / City of Bali Province in 2014-2019. Capital expenditure can weaken the positive effect of fiscal decentralization on the human development index can be caused by various things, one of which is the lack of maximum local government in the feasibility study of a capital expenditure project. This will cause the realization of the capital expenditure budget from an area to not be maximally utilized for the benefit of the community. Weaknesses in the feasibility study of capital expenditure projects will result in the ability of regional spending in implementing regional autonomy being less than optimal and tending to have a negative influence. The ability of local governments to self-finance capital expenditures becomes less useful due to capital expenditure projects that are not yet feasible and are not really needed by the community. Ineffective capital expenditure can result in waste and not optimal use of budget realization. These results are in line with research conducted in Bali Province in 2015, capital expenditure was able to moderate (weaken) the effect of regional finance on the human development index [19]. In relation to Agency Theory, local governments as budget managers need to consider capital expenditure realization plans with the house of representatives at provincial in order to achieve targeted realization and can optimize the fiscal decentralization process so as to increase the human development index. It is not easy for local governments to be able to determine and allocate capital expenditure budgets to create projects that are truly needed and beneficial to the public interest. Therefore, studies and coordination with various parties are needed so that the realization of capital expenditures can maximize the fiscal decentralization process and support an increase in the human development index.

4. Conclusion

This research found that partially fiscal decentralization has a significant positive effect on the human development index. The degree of fiscal decentralization that has been achieved by each regency / city in Bali Province in 2014-2019 has been able to influence the increase in the achievement of HDI in each region. When a region has good regional financial independence, the local government will be able to manage its regional income to improve and improve public services, which will ultimately improve the welfare of its people as measured by the achievement of HDI. This research also found that capital expenditure is able to moderate (weaken) the positive effect of fiscal decentralization on the human development index. The government's inability to analyze the feasibility research of a capital expenditure project is thought to have an impact on the implementation of regional autonomy. The capital expenditure budget cannot be optimally utilized so that it is unable to encourage efforts to improve community welfare.

This research has limitations on the research data used in 2014-2019 before the Covid-19 pandemic. This was done to ensure that the data used remained constant and avoided the economic impact during the Covid-19 pandemic. Future research can re-examine the effect of capital expenditure variables on the human development index using data year t-1 (one year earlier). There is a possibility that the benefits of government capital expenditure will have an impact on people's welfare after passing the year of realization of the capital expenditure.

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The influence of accountability, transparency, participation, and characteristics of satya on the management of village funds

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ABSTRACT

This study aims to determine the effect of accountability, transparency, and community participation on the management of village funds with Satya as a moderating variable. The population in this study was the people of Sading Village with the following criteria: village officials (village government organizations) and hamlet representatives (banjar adat) who were involved in village fund management meetings with a sample of 82 people. The theory used in this research is stewardship theory and agency theory. The data analysis technique used in this study is Multiple Linear Regression Analysis and Moderated Regression Analysis (MRA). The results of the study stated that H1, H2, H3, and H6 were accepted while H4 and H5 were rejected. This shows that accountability, transparency, and participation have a positive effect on the management of village funds. The nature of Satya is not able to moderate the effect of Accountability and Transparency on management and villages. However, the nature of Satya is able to moderate the positive influence of community participation on management and villages.

Keywords: accountability, transparency, participation, satya, village fund management

1. Introduction

Research Background

The development of public sector accounting in Indonesia is growing rapidly after the reform era, there is a demand to improve the performance of public sector organizations to create good public and corporate governance. There are greater demands from society for transparency and public accountability by government sector institutions [1]. The reform era brought changes to the implementation of government policies, one of which was in terms of regional autonomy and decentralization of local government. Regional autonomy is the right, authority, and obligation of an autonomous region to regulate and manage its government affairs and the interests of the local community according to its initiative based on the aspirations of the community by statutory regulations.

The village is the main focus of the Indonesian government in enhancing national development. [2] conveys that this development is carried out by granting authority to each village to manage and run its government system. Development sourced from village funds underscores President Jokowi's commitment to developing Indonesia from the periphery, borders, and villages. Village funds allocated by the government are the main source of village income. The allocation of village funds for each village varies, this is based on several factors, namely population size, poverty rate, area size, and level of geographical difficulty. Allocation of funds by the district government for villages comes from revenue sharing from regional taxes, revenue sharing from regional levies, and regions received by the district government except for special allocation funds (Directorate General of Fiscal Balance, 2016).

Village fund corruption cases continue to increase every year. Indonesia Corruption Watch (ICW) said that there were at least 154 cases of corruption in the village fund budget

sector in 2021, with a potential state loss of IDR 233 billion. This figure has tended to show an increase since 2015, at that time there were only 17 corruption cases in the village fund budget with a loss of IDR 40.1 billion (data from Indonesia Corruption Watch, 2022).

A similar case also occurred in 2022 in the Sading Traditional Village, Mengwi District, Badung Regency. In this case, Bendesa Adat Sading was fired from his position because he could not be accountable for managing village funds. This was confirmed by I Wayan Wiasthana Ika Putra as Chair of the Five Signs of the Sading Traditional Village. Therefore, it is necessary to have stricter supervision so that similar problems do not occur again in the future.

The number of problems that arise as a result of receiving village funds, the government issued Minister of Home Affairs Regulation (Regulation of the Minister of Home Affairs in Indonesian is abbreviated as Permendagri Number 113 of 2014 in article 2 which refers to village finances in their management which is based on the principles of transparency, accountability, participation and is carried out in an orderly manner and budget discipline [2]. Accountability is related to accountability to the public for the activities and activities carried out by the giver of responsibility. Transparency relates to the freedom to obtain information relating to the public interest. With the freedom to obtain information, it will indirectly create community involvement or participation in it.

This study uses the nature of Satya Dharma as a moderating variable. As in Hinduism, it is explained that the nature of Satya dharma is very important to have and has serious effects if it is not carried out when you have responsibility for the task that has been entrusted. Satya is related to morals/behaviors such as honesty, patience, and courage. By having the nature of Satya, a person will avoid actions that cause negative things for many people and will always uphold the character of being honest, brave, and responsible. In addition, Satya gives us the ability to discriminate, allows us to set boundaries, and gives us a sense of morality. Someone who has a high Satya character is expected to have a good sense of morality and be able to distinguish between bad and good deeds and how he should behave towards others according to his moral values.

Based on the description of the research background above, the researcher is interested in raising this problem to become a research topic by taking the title " The Influence of Accountability, Transparency, And Participation On The Management Of Village Funds To Realize Good Governance With The Characteristics Of Satya As A Moderating Variable IN Sading Village, Mengwi District".

Stewardship Theory

Stewardship Theory developed [3] is a new paradigm to examine the relationship between owners and management of an organization. In applying Stewardship Theory, the organization is focused on harmonization between capital owners (principles) and capital managers (stewards) in achieving common goals. This theory explains the situation of managers (management) to be motivated to achieve the most important organizational goals and success compared to personal interests. In this theory, management (steward) is motivated to take action based on the wishes of the principal. Apart from that, management tends to have loyal behavior toward the organization because it tries to achieve the goals the organization wants. This theory can be applied to public sector accounting research such as government organizations [4] from the beginning of its development, public sector organization accounting has been prepared to meet the information needs for the relationship between stewards and principals. With increasingly complex conditions and increasing demands for accountability in public sector organizations, it is increasingly difficult for principals to carry out their management functions.

Agency Theory

According to [5], the agent is the maker of a contract to perform certain tasks for the principal. While the principal is a contract maker to provide rewards for agents. Agency relationships also arise in public sector organizations. The society acts as principal while public officials act as agents. Public officials are responsible for public service activities by appointing State Civil

Apparatuses (ASN). This also occurs in village government, where the village government as an agent is given the authority to manage village funds for the welfare of the people, and the people as the principal parties who delegate their authority to local governments [6]. With this theory, the patterns of agency relationships in village governance can be well explained. The principal party wants the village administration to be managed properly.

Accountability

[1] defines accountability as the obligation of the holder of responsibility/trust (government) to provide accountability, present, report, and disclose all activities and activities that are his responsibility to the party giving the responsibility/trust (community) who has the right and authority to request this accountability. The accountability of the village government shows the involvement of all parts of the village government in being accountable for all activities that have been carried out related to village governance and development. Accountability to the village government as a forum for realizing responsibility related to activities that will be or have been carried out as an effort by the village government to provide reports to the community [7]. Reporting is not only about finance but includes other information in economic, social, and political aspects [8] The existence of accountability is reflected in the provision of access to all interested parties to ask questions or challenge the accountability provided by the village government.

Transparency

Transparency covers many aspects regarding the freedom to obtain information related to governance, namely information about policies, the process of making and implementing them, and the results that have been achieved [9]. Regarding transparency in the management of village funds, the village government must be transparent in its implementation, from the planning stage to the accountability stage. In realizing the principle of transparent governance, the village government must be willing to provide information to the public promptly and take into account the ease of obtaining information and information that can be easily understood, presented as it is, accurate, adequate, and complete.

Society participation

Participation is consciously involved and interacts socially under certain conditions [10]. Community participation is a state where the community is involved in the process of identifying problems and potential that exist in the community and taking the most effective solutions. Community participation in the management of village funds is regulated in Law Number 6 of 2014 concerning village meetings. Village deliberation is a deliberative forum that is attended by village deliberative bodies, village government, and elements of the village community to deliberate strategic matters in governance. With the participation of the community in village administration, the village government can obtain program ideas and input from the community to jointly realize village development.

Satya Nature

Satya is faithful, honest, and responsible which is stated as a truth that will bring people peace. Loyalty and honesty are very important capitals in living life. The importance of "loyalty and honesty" as mentioned in Nawa Sanga is the concept of devotion, one of which is mentioned as "dare to act based on the law" so that for a leader based on the attitude of Satya Asta Brata leadership which is by leadership in Hinduism, it is also stated that a leader must have 5 attitudes of loyalty, namely, Satya Heradaya (honest to oneself), Satya Wacana (honest to words), Satya Semaya (faithful to promises), Satya Mitra (faithful to friends), and Satya Laksana (honest in deeds).

Village Fund Management

According to the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 20 of 2018 concerning Village Financial Management Article 1 paragraph 9, Village Funds are funded originating from the State Revenue and Expenditure Budget (APBN) intended for villages that are transferred through the Regency/City Regional Revenue and

Expenditure Budget and used to finance government administration, implementation, development, community development, and community empowerment.

2. Method

This research is quantitative research, which is in the form of associative research where research examines the effect of an independent variable on the dependent variable or knows the relationship between variables.

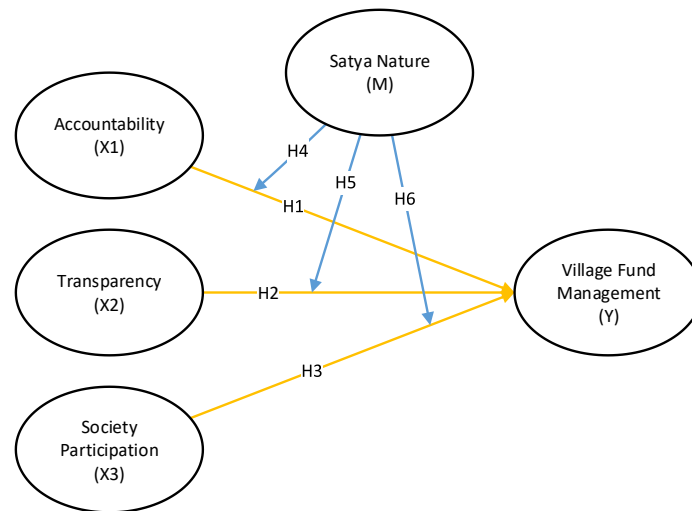


Figure 1. Conceptual Framework

The population used in this study were the people of Sading Village aged over 17 years as respondents with the following criteria: village officials (village government organizations) and hamlet representatives (banjar adat) who were involved in village fund management meetings. Sading Village has 13 hamlets with a population of 8,376 people. The sampling technique used in sampling is purposive sampling. The sample criteria used in this study are:

- 1) Village apparatus (village government organizations) involved in village fund management meetings, as well
 - 2) Hamlet representatives (banjar adat) who are involved in village fund management meetings.
- Based on these criteria, the sample used from Sading Village was 82 respondents

The type of data used in this research is quantitative data. Quantitative data is data in the form of numbers or numbers. This data type then processed and analyzed with mathematical or statistical calculations to get the necessary information. While the source of data in this study primary data and secondary data. Primary data is data obtained by means straight from the source by taking measurements, calculating yourself within the form of numbers, observations, interviews and so on. Data secondary is a source of research data obtained indirectly through the media intermediaries (obtained and recorded by other parties)

3. Results and Discussion

Multiple Regression Analysis

Multiple regression tests were conducted to determine the effect of each independent variable individually on the dependent variable. The independent variable is said to be influential in terms of the sig <0.05 Based on table 4.18 above shows the estimation model as follows:

$$Y = 8.741 + 0.427X1 + 0.059X2 + 1.373X3 + e \dots \dots \dots (1)$$

Information:

- Y = Village Fund Management
- a = constant
- X1 = Accountability
- X2 = Transparency
- X3 = Society Participation
- e = error

Table 1. Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	8.741	1.434		6.097	.000
1					
Accountability	.427	.069	.619	6.162	.000
Transparency	.059	.020	2.811	3.021	.003
Society Participation	1.373	.503	1.384	2.728	.008

Source: Processed data, 2023

The multiple linear regression equation shows the direction of each independent variable to the dependent variable. The multiple linear regression equation can be described as follows:

- 1) A constant value of 8.741 means that if the accountability, transparency, and community participation variables are declared constant at 0, then the village fund management level value is 8.741.
- 2) The value of regression coefficient of the accountability variable (X1) has a positive value of 0.427 which indicates that there is a positive influence between the accountability variable on village fund management. In other words, if the accountability variable increases it will cause an increase in the level of village fund management, assuming the other independent variables are held constant.
- 3) The regression coefficient value of the transparency variable (X2) has a positive value of 0.059 which indicates that there is a positive influence between the transparency variable on village fund management. In other words, if the transparency variable increases it will cause an increase in the level of village fund management, assuming the other independent variables are held constant.
- 4) The regression coefficient value of the community participation variable (X3) has a positive value of 1.373 which indicates that there is a positive influence between the community participation variable on village fund management. If the community participation variable increases, it will cause an increase in the level of village fund management, assuming the other independent variables are held constant.

Moderated Regression Analysis test (MRA)

The results of the Moderated Regression Analysis (MRA) test aim to find out the role of the Satya variable for transparency, accountability, and participation in village financial management, so it can be seen as follows.

Based on the table above, the estimation model can be shown as follows:

$$Y = 2.635 + .097X1 + .11X2 + .04X3 + .17M + .01X1M + .00X2M + .38X3M + e \dots \dots \dots (2)$$

Information:

- Y = Village Fund Management
- a = constant
- X1 = Accountability
- X2 = Transparency
- X3 = Society Participation

M = Satya Nature
 X1.M= Accountability - Satya Nature
 X2.M= Transparency - Satya Nature
 X3.M= Society Participation - Satya Nature
 e = error

Table 6. Partial Regression Test Results (T test)

Model	Coefficients ^a				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients	Beta		
	B	Std. Error				
1 (Constant)	2.635	.910			2.896	.005
X1_M	.009	.015	.271		.635	.527
X2_M	.039	.056	.194		.693	.490
X3_M	.560	.072	.365		7.801	.000

Source: Processed data, 2023

The results of the interpretation in the above research are:

- 1) The nature of Satya in moderating the effect of transparency on the financial management of village funds. The results of the absolute difference value test shown in table 6 show that the X1_M variable has a count of 0.635 < t table 1.98118 with an unstandardized beta coefficient of 0.009 and a significance level of 0.527 which is greater than 0.05 then H4 is rejected.
- 2) The nature of Satya in moderating the influence of accountability on village financial management. The results of the absolute difference value test shown in Table 6 show that the X2_M variable has a t count of 0.693 < t table of 1.98118 with an unstandardized beta coefficient of 0.039 and a significance level of 0.490 which is greater than 0.05 then H5 is rejected.
- 3) The nature of Satya in moderating the influence of accountability on village financial management. The results of the absolute difference value test shown in Table 6 show that the X3_M variable has a t count of 7.801 > t table of 1.98118 with an unstandardized beta coefficient of 0.560 and a significance level of 0.000 which is less than 0.05 then H6 is accepted.

Test of the coefficient of determination (R²)

Coefficient of Determination (R²) measures how far the ability of the regression model in explaining the variation in the dependent variable. Value of (R²) which is close to one means that it provides almost all the information needed to predict the variation in the dependent variable. The results of the coefficient of determination can be seen in table 7 below:

Table 7 Results of Determination Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.768 ^a	.590	.575	3.797

Source: Processed data, 2023

Based on these results it is known that the value of R² = 57.5 percent, which means that 57.5 percent of village fund management (Y) is influenced by the variables of accountability (X1), transparency (X2), community participation (X3), and the remainder is (100% -57.5%) = 42.5 percent influenced by other variables not examined in this study. Other variables that have the potential to influence the level of management of village funds include apparatus competence, clarity of targets [11], and supervision [12].

The effect of accountability on the management of village funds in Sading Village, Mengwi District

The results of testing the first hypothesis (H1), namely accountability have a positive and significant effect on the management of village funds in Sading Village, Mengwi District. The regression value shows a positive coefficient value of 0.427 with a significance value of $0.000 < 0.05$, so H0 is rejected and H1 is accepted. This means that the more accountable the management of village finances, the more accurate the reports will be. Because accountability is the obligation of individuals who are entrusted with managing public or related resources by those entrusted and accounted for. This research is in line with the stewardship theory which has given the trust to the principal. In stewardship theory, it is explained that in achieving its vision and mission goals, one of which is being able to manage finances well. Thus, stewards as government and principals in society will be more motivated in carrying out their duties rather than doing deviant or self-serving things. The results of this study strengthen research from [13] which show that accountability influences village financial management.

The effect of transparency on the management of village funds in Sading Village, Mengwi District

The second hypothesis proposed in this study is to test the effect of transparency on the management of village funds in Sading Village, Mengwi District. Based on the test results using multiple linear analysis, it is known that the transparency variable has a positive and significant effect on the management of village funds in Sading Village, Mengwi District. The regression value shows a positive coefficient of 0.059 with a significance level of $0.003 < 0.05$, so H0 is rejected and H2 is accepted. The results of this study indicate that transparency is an important thing for the village government to do in managing village funds. In implementing this transparency, the Sading Mengwi village government also provides important information related to finance and non-finance which is posted on village notice boards as well as on bale boards or banners. The village government is also always open and never closes in providing information regarding village financial management and other information, because the Sading Mengwi village government is fully aware that the community has the right to know about village financial information.

The effect of community participation on the management of village funds in Sading Village, Mengwi District

Results The results of testing the third hypothesis are that community participation has a positive and significant effect on the management of village funds in Sading Village, Mengwi District. The regression value shows a positive coefficient value of 1.373 with a significance value of $0.008 < 0.05$, so H0 is rejected and H3 is accepted. In theory, community participation is one of the factors that influence the success of development programs and rural community development. Community participation is needed to realize village development by the needs of the village itself. Without community participation, any development activity will fail. Likewise, community participation in the use and management of village funds, this involvement is important so that their use and management can be more targeted, and the benefits will be more in tune with the real interests of the community. Community participation is very much needed for the success of development in the village towards a better direction, the role and performance of the village government are also highly expected to be able to carry out the main tasks of leading and coordinating in carrying out village household affairs, conducting community development and development and fostering the village economy.

The Nature of Satya Moderates Accountability for Village Financial Management

The fourth hypothesis proposed in this study is Satya's nature of moderating accountability for village financial management. Accountability is the embodiment of one's obligation to be accountable for managing village finances controlling resources and implementing policies entrusted to him to achieve a goal. Village apparatus in carrying out accountability in managing village finances tends to be satya. Judging from the regression value, it shows a coefficient value of 0.009 with a significance value of $0.527 > 0.05$. Based on the results of this analysis,

shows that the nature of Satya cannot moderate accountability for village financial management or is rejected. This is because many village officials admit that they have carried out village financial management in an accountable and Satya manner, but in general, many people consider that several village officials are not Satya and even some village officials consider such a thing that there are still several village officials dishonest in reporting village finances.

The Nature of Satya Moderates Transparency in Village Financial Management

The fifth hypothesis proposed in this study is Satya's nature of moderating transparency in village financial management. Judging from the regression value, it shows a positive coefficient value of 0.039 with a significance value of $0.490 > 0.05$. Based on the results of the analysis, shows that Satya cannot moderate the effect of transparency on village financial management, or H5 is rejected. Transparency creates mutual trust between the public and the government in obtaining information and ensures easy access to information. When the government or village officials show to the public that in carrying out financial management in an open and good manner, village officials must have satya characteristics, but the results of this study show that the existence of Satya characteristics has no significant effect in moderating transparency on village financial management. This is due to the phenomenon that occurs in the villages where several officials in each village do not know how each apparatus is open or transparent about village financial management so the results of the data received are that several village officials in each village have a negative opinion on financial management transparency village can be done openly.

The Nature of Satya Moderates Participation in Village Financial Management

The sixth hypothesis proposed in this research is Satya's nature of moderating participation in village financial management. Judging from the regression value, it shows a positive coefficient value of 0.560 with a significance value of $0.000 < 0.05$. Based on the results of the analysis, it shows that the nature of Satya can moderate the effect of participation on village financial management or H6 is accepted. Community participation is one way to minimize the occurrence of information asymmetry, namely by monitoring costs. Community participation in managing village fund allocations functions as internal control over the supervision of programs related to funding. Community involvement in the context of making decisions on every activity organized by the village government can assist and monitor the village government in preparing the budget. In this study, the nature of Satya was able to moderate the effect of community participation on the management of village funds. The results of the analysis show that the Satya variable strengthens the relationship between community participation and village fund management.

4. Conclusion

Based on the results of data analysis and discussion, the conclusions obtained from the research results are as follows: 1) Accountability has a positive and significant influence on the management of village funds. 2) Transparency has a positive and significant impact on management and villages. 3) Community participation has a positive and significant influence on village fund management. 4) The nature of Satya is not able to moderate the effect of Transparency on management and villages. 5) The nature of Satya is not able to moderate the positive effect of Transparency on management and villages. 6) The nature of Satya can moderate the positive influence of community participation on management and the village.

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Analysis of factors influencing the use of accounting information on SMEs in Badung Regency

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ABSTRACT

This study aims to analyze the level of education, business scale, accounting training, accounting knowledge, and the use of accounting information in micro, small, and medium enterprises in the Badung district. This research is quantitative in nature, and the data used consists of primary data obtained by distributing questionnaires to MSME actors in the Badung regency. The population of this study comprises all MSMEs registered in the Badung Regency who have paid their annual taxes, amounting to 3,350 MSMEs. The sample for this study was selected through simple random sampling, utilizing the Slovin formula. The results revealed that the level of education, accounting training, and accounting knowledge had a positive effect on the use of accounting information in micro, small, and medium enterprises in the Badung district. However, business scale exhibited a negative effect on the use of accounting information in micro, small, and medium enterprises in the Badung district.

Keywords: education level, business scale, accounting training, accounting knowledge, use of accounting information

1. Introduction

The growth of MSMEs taxpayers in Badung Regency is increasing every year. Micro, small, and medium enterprises (MSMEs) build economic growth. MSMEs are considered capable of creating productive employment. Micro, small, and medium enterprises (MSMEs) are economic activities that are mostly carried out by Indonesian people as a source of income.

The function of MSMEs is a small business unit that is able to play a role and function as an alternative provider of productive business activities and can also increase national economic growth, in terms of employment absorption, so as to reduce the problems of unemployment and poverty which are national problems that cannot be resolved. by the provincial and central government. Therefore, the government must pay attention to these MSMEs so that people who have not been moved to open a business become interested in independent entrepreneurship.

Accounting is a supporting tool that can be used by MSMEs to manage finances within the company [1]. According to [2] the use of accounting information can be a support in the decision-making process where decision-making can be reached immediately in all areas of the organization. The results of accounting information are useful for measuring and explaining financial information from the company's financial activities. Accounting information empowers users to take action to address problems and uncertainties within organizations [3].

It was also explained that the application of good accounting in managed companies will obtain a lot of information from financial reports that are systematically arranged. For example, how much profit is obtained, how much additional capital is generated and the balance of one's rights and obligations. Because good and accurate financial management has a positive impact on the MSME business. The biggest problem in developing MSMEs relates to the company's

financial management, because good management requires MSMEs entrepreneurs to have good accounting skills. Indeed, the existence of financial reports allows owners to receive information and information that is organized systematically [4].

However, running an MSMEs is something that is not easy, as evidenced by several companies that survived, even if only for a short time, and had to close because they could not compete with other companies. This is partly due to the use of accounting information systems that have not been controlled and are not even used in their business. The use of accounting information that still hinders MSMEs performers is due to low levels of education, business training, managerial experience, and a lack of understanding of information technology and unreliable financial reporting functions. Therefore, efforts must be made to collect and seek to increase MSME knowledge related to accounting, so that they can use existing accounting knowledge to improve quality in decision making. In fact, most small businesses in Indonesia do not organize and use owner accounting information to manage their businesses. Small business owners lack accounting skills and many of them do not understand the importance of record keeping and bookkeeping when it comes to business continuity. For small business owners, the accounting process is not that important [5]. Based on the discussion of these problems, this study analyzes the factors that influence the use of accounting information to help SMEs understand the importance of using accounting information in running the business.

Stakeholder theory

The theory of interested parties (stakeholder theory) is a basic basis used in understanding the business practices of companies including MSMEs. Theory This sees the existence of a relationship between mutually interested parties influence within the company.

The definition of stakeholder theory according to [6] are any group or individual who can affect or is affected by the achievement of the organization's objectives.

Parties have an interest in the traditional “family” of shareholders namely owners, managers, employees, suppliers, consumers, creditors, and the public general. Stakeholders and organizations influence each other, can be seen in social relations both in the form of responsibility and accountability, therefore the organization has accountability to its stakeholders [7]. The primary concern is not to change the parties' behavior interested, but environmental forecasting in the future. A company is not an entity that only operates for its own benefit, however, it must benefit its stakeholders [7]. Associated with this research, Stakeholder Theory is relevant to explain the use of accounting information on SMEs. Stakeholders have the right to obtain information regarding the company's activities affect them. The stronger the stakeholder relationship, the better company business. Without the support of interested parties then the company cannot live continuously, hence the use accounting information on the company is a way to manage the trust of interested parties to produce a mutually beneficial relationship harmony between the company and its stakeholders. Accounting information about past and future changes and emergence problems and issues are very important for the company's planning process and decision making [8].

MSMEs definition

In Law no. 20 of 2008 concerning micro and MSMEs, micro enterprises and MSMEs are defined as follows: Micro businesses are productive privately owned companies and/or private entrepreneurs that meet the criteria for micro businesses (assets of not more than 50 million and turnover of not more than 300 million). Small business in the sense of this law is a productive economic single business managed by an individual or business unit that is not a subsidiary or related company of a company that directly or indirectly owns, controls, or partially controls medium or large businesses and generates sales > 300 million - 2.5 billion),

Medium business is a productive economic business that stands alone and is managed by an individual or legal entity that is not a subsidiary or affiliate of a business that directly or indirectly owns, controls or is part of a micro or large business. net worth or annual sales revenue forecasted in this law.

Level of education

The educational ability of MSMEs owners has a huge influence on how information is processed and used by accounting. The educational qualifications of owners of small and medium enterprises are determined by the formal education possessed by MSMEs performers, which will have a great influence on running the business.

In terms of using accounting information for the preparation of financial reports, if their level of formal education is low, namely the level of elementary to high school education, the MSMEs performers will also be lower in terms of using accounting information for preparing financial reports compared to high levels of formal education such as college level. If the level is high, the actors will be better prepared in terms of preparing financial reports. This is because higher accounting teaching materials are given in higher education compared to lower education [9].

Scale enterprises

Business scale is a company's ability to manage its business by taking into account the amount of resources, number of employees and income generated during one accounting period. Business scale is also an indication of the development of a company where a large company will have an impact on the employees involved [10].

The number of employees that will increase from year to year will indicate that the company is capable of growing, this is because large companies will require even more employees. If the business scale increases, the company in preparing financial reports will also increase and in terms of providing accounting information will also increase [11]. In terms of the use of accounting information, this will greatly affect the company so that the company can manage the complexity of running the company.

Accounting training

In accounting training, this will greatly determine how a person's process will improve their abilities in the field of accounting. Accounting training will be very large in determining how capable business owners are in using accounting information. According to Solovia in [11] Accounting training is meant as accounting training held by higher education institutions, out-of-school educational institutions, departmental training centers, or certain services. If more and more training will be attended by business owners, knowledge of accounting will also increase, so that this will produce even more accounting information so that company owners can be even more professional in running their business and in making decisions in a business.

Accounting Knowledge

Accounting knowledge is knowledge of how to classify, analyze and also record the financial activities of a company. According to [12] accounting is the process of recording, classifying, summarizing, reporting, and analyzing an organization's financial information. The process of learning about accounting will increase the accounting knowledge of entrepreneurs (managers), so that the understanding of entrepreneurs (managers) to apply accounting information will also increase. In other words, studying accounting knowledge will also be able to increase understanding for business owners, especially UMKM actors, so that they can produce good financial reports and can be used for interested parties in the company's activities.

Use of Accounting Information

Accounting information will provide benefits to companies in the decision-making process and solve a problem faced by the company. In accounting information, companies can also analyze financial reports that can be used in assessing performance within the company and for audit purposes. So, the use of accounting information is more financially based so that the data can be used by internal and external parties. The use of this accounting information is a situation where the owner/manager uses accounting information, both operational information, management accounting information, and financial accounting information for decision making [13].

Hypothesis

The hypothesis in this study is as follows:

H1: Education level has a positive effect on the use of accounting information.

H2: Business scale has a negative effect on the use of accounting information.

H3: Accounting training has a positive effect on the use of accounting information.

H4: Accounting knowledge has a positive effect on the use of accounting information.

2. Method

This research is quantitative research and the data used is primary data obtained by distributing questionnaires online to MSME actors in the Badung district. The population in this study were all MSMEs registered in Badung Regency and who had paid their annual taxes, namely 3,350 MSMEs. The sample in this study was taken by simple random sampling (random) using the slovin formula as follows:

$$n = N / (1 + N \cdot (e)^2) \dots\dots\dots (1)$$

note:

n = number of samples

N= The total number of populations

e = error tolerance limit 10%

$$n = \frac{3,350}{(1+(3,350 \times 0.1^2))} = 97,10 = 97 \dots\dots\dots (2)$$

3. Results and Discussion

Validity test

Validity test is a tool used to measure the validity or validity of a questionnaire. With the testing criteria, if $r_{count} > r_{table}$ at a significance of 0.05, it can be said that all questions are valid. Based on table 1 it can be seen that all r_{count} values are greater than r_{table} so it can be concluded that all statement items are valid. Result of validity test are shown in [Table 1](#).

Reliability test

A questionnaire is said to be reliable and reliable if one's answers to statements are consistent or stable from time to time. A variable is said to be reliable or reliable if it gives a value of Cronbach's Alpha > 0.60 . Based on table 2 it shows that the Cronbach's alpha value is $0.988 > 0.60$, this means that all questionnaire statements in this study are reliable. Result of reliability test are shown in [Table 2](#).

Normality test

The data normality test in this study used the One-Sample Kolmogorov Smirnov test table 3. The data is said to be normally distributed if the Asymp. Sig (2-tailed) is greater than 0.05. Based on the One-Sample Kolmogorov Smirnov test table, the Asymp value is obtained. Sig (2-tailed) of 0.978 is greater than 0.05, so it can be concluded that the data is normally distributed. Result of normality test are shown in [Table 3](#).

Table 1. Validity test

Question items	rcountvalues	rtable	Conclusion
1	0.822	0.304	Valid
2	0.771	0.304	Valid
3	0.832	0.304	Valid
4	0.553	0.304	Valid
5	0.634	0.304	Valid
6	0.645	0.304	Valid
7	0.740	0.304	Valid
8	0.707	0.304	Valid
9	0.741	0.304	Valid

10	0.785	0.304	Valid
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Source: Processed secondary data, 2023

Table 2. Reliability statistics

<i>Cronbach's Alpha</i>	N of Items
.988	10

Source: Processed secondary data, 2023

Table 3. Normality test results
 One-Sample Kolmogorov-smirnov test

		Unstandardized Residual
N		97
Normal Parameters ^{a,b}	Mean	0E-7
	Std. Deviation	5.72650266
	Most Extreme Differences	
	Absolute	.065
	Positive	.065
	Negative	-.052
Kolmogorov-Smirnov Z		.634
Asymp. Sig. (2-tailed)		.978

Source: Processed secondary data, 2023

Multicollinearity test

Table 4. Multicollinearity test results

Model	Coefficients ^a	
	Collinearity Statistics	
	Tolerance	VIF
Tingkat_Pendidikan	.962	1.170
Skala_Usaha	.785	1.469
Pelatihan_Akuntansi	.635	1.353
Pegetahuan_Akuntansi	.725	1.365

Source: Processed secondary data, 2023

Heteroscedasticity test

The heteroscedasticity test in this study was carried out using the Glejser test. The Glejser test is carried out by regressing the supreme value of unstandardized leftover as the dependent variable with the independent variable. If the level of significance of the variable level of education, business scale, business income, and business experience is greater than 0.05, then it can be said that it does not contain heteroscedasticity. Result of heteroscedasticity test are shown in [Table 5](#).

Table 5. Heteroscedasticity test results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Significant
	B	Std. Error			
(Constant)	4.179	.916		4.560	.000
Tingkat_Pendidikan	.302	.331	.088	.885	.484
Skala_Usaha	-.306	.494	-.076	-.623	.702
Pelatihan_Akuntansi	-.668	.683	-.137	-.983	.343
Pengetahuan_Akuntansi	-.654	.674	-.146	-.976	.354

Source: Processed secondary data, 2023

Dependent Variable: Abs_RES

Based on table 5 above, the significance values obtained for education level, business scale, accounting training, and accounting knowledge were 0.484, 0.702, 0.343, 0.354 respectively, greater than 0.05, which means that there was no heteroscedasticity in this study.

Descriptive analysis

Descriptive statistical tests are used to provide a general description of the data used in the study of each variable. To more clearly see the general description of the variables in this study, namely the minimum, maximum, total, average and standard deviation values can be seen in Table 6 below.

Table 6. Results of descriptive analysis

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Standar Deviation
Tingkat_Pendidikan	97	1	5	3.06	1.350
Skala_Usaha	97	1	5	1.54	.888
Pelatihan_Akuntansi	97	1	5	2.09	1.254
Pengetahuan_Akuntansi	97	1	5	4.07	.767
Penggunaan_Informasi_Akuntansi	97	17	45	30.13	6.476
Unstandardized Residual	97	-10.35557	13.81798	0E-7	4.62650266
Valid N (listwise)	97				

Source: Processed secondary data, 2023

Multiple linear regression

Table 7. Multiple linear regression analysis

Model	Coefficients ^a				t	Significant
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta			
(Constant)	17.843	1.543		11.563	.000	
Tingkat_Pendidikan	1.087	.389	.227	2.794	.006	
Skala_Usaha	-2.774	.663	.380	4.181	.000	
Pelatihan_Akuntansi	3.305	.982	.294	3.366	.001	
Pengetahuan_Akuntansi	3.545	.978	.395	3.568	.001	

Source: Processed secondary data, 2023

a. Dependent Variable: Penggunaan_Informasi_Akuntansi

Based on Table 7, it can be taken that the multiple linear regression equation in this study is:

$$Y = 17,843 + 1,087X_1 - 2,774X_2 + 3,305X_3 + 3,545X_4 \dots\dots (3)$$

Partial test (t)

Based on table 8, the significance values of education level, business scale and operating income are 0.006, 0.000, 0.001 and 0.001 where each number is smaller than 0.05 so it can be concluded that partially all independent variables have a significant effect on the use of accounting information. Result of partial test (t) are shown in Table 8.

Table 8. Partial test results (t)

Model	Coefficients ^a			t	Significant
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	17.843	1.543		11.563	.000
Tingkat_Pendidikan	1.087	.389	.227	2.794	.006
Skala_Usaha	-2.774	.663	.380	4.181	.000
Pelatihan_Akuntansi	3.305	.982	.294	3.366	.001
Pengetahuan_Akuntansi	3.545	.978	.395	3.568	.001

Source: Processed secondary data, 2023

Test the coefficient of determination (R²)

Based on Table 9 it can be seen that the adjusted R-squared value is 0.684. This means that the effect of education level, company size and operating profit on the use of accounting information is 68.4%, the remaining 31.6% is influenced by other variables outside this research model. Result of coefficient of determination test can be seen in Table 9.

Table 9. Test results for the coefficient of determination

Model	Model Summary ^b			
	R	R Square	Adjusted R Square	. Error of the Estimate
1	.700 ^a	.690	.684	6.804

a. Predictors: (Constant), Pendapatan_Usaha, Tingkat_Pendidikan, Skala_Usaha
 Dependent Variable: Penggunaan_Informasi_Akuntansi

Education level has a positive effect on the use of accounting information

This shows that the higher the education level of MSMEs owners, the more likely they are to use accounting information in their business operations. This is because learning more and more accounting information is managed and studied at a higher educational level, so that the higher the education of MSMEs Performers, the easier it is to understand the use of accounting information.

Based on Law no. 20 of 2003 Article 3, education functions to develop abilities and shape dignified national character and civilization, so that the knowledge possessed by MSMEs owners/managers is obtained through education. The owner's understanding of how to use information is an obstacle if it is not influenced by good training, because MSMEs actors do not understand the importance of using accounting information in their business when they lack training.

Business scale has a negative effect on the use of accounting information

Business scale has no effect on the use of accounting information on micro, small and medium enterprises in Badung Regency. What may be an indication of the cause of the non-effect of business scale on the use of accounting information is that micro, small and medium entrepreneurs do not make policies based on accounting information and do not support accounting information as a basis for financial decisions, this is in accordance with research [14].

Accounting training has a positive effect on the use of accounting information

Accounting training attended by MSMEs owners/managers has a positive impact on the use of accounting information by MSMEs. This shows that accounting training is an understanding of someone, especially the owner/manager of technical management accounting, to improve

technical management accounting by attending accounting training courses. The more often owners/managers of MSMEs attend accounting training while practicing it, the skills of owners/managers in accounting techniques are increasingly honed, thus increasing the ability of owners/managers to use accounting information, this is in accordance with research [8].

Knowledge of Accounting has a positive effect on the use of accounting information

Accounting knowledge has a positive effect on the use of accounting information. This is because micro, small and medium entrepreneurs do not have an increase in accounting knowledge, so the understanding of micro, small and medium entrepreneurs to apply accounting information in their business will also decrease, this is different from research [4].

4. Conclusion

Based on the results of the entire series of data analysis that has been carried out, it can be concluded from this study are the level of education has a positive effect on the use of accounting information, business scale has a negative effect on the use of accounting information, accounting training has a positive effect on the use of accounting information, and accounting knowledge has a positive effect on the use of accounting information

Acknowledgment

Based on the conclusions and limitations of the research above, the authors suggest that further researchers are expected to add research variables, such as the age of the company and business income so that other variables can be identified that affect accounting information in small and medium enterprises.

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The effects of Voluntary Disclosure Program (VDP) and tax sanctions on individual taxpayer compliance

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ABSTRACT

Tax revenue has an important role in national development. The government continues to pursue various policies to improve taxpayer compliance so that tax revenues can increase. One of the efforts made by the government is to pass the Law on the Harmonization of Tax Regulations. One of the programs contained in the law is the voluntary disclosure program (VDP). The purpose of this research is to find out the effect of the Voluntary Disclosure Program (VDP) and Tax Sanctions on Individual Taxpayer Compliance. The type of research applied in this study is quantitative research with a correlational approach. In this study, the population studied were individual taxpayers registered at KPP Pratama Badung Selatan, using purposive sampling techniques in sampling based on predetermined criteria and using the slovin formula, so as to get a sample of 100 respondents. The data used in this study was primary data using a likert scale of scores 1 to 4. The data analysis technique used in this study is multiple linear regression using the SPSS v.26.00 software program. The results of this research show that the voluntary disclosure program has a significant positive effect on taxpayer compliance, tax sanctions have a significant positive effect on taxpayer compliance, and the voluntary disclosure program and tax sanctions simultaneously have a significant effect on Taxpayers compliance.

Keywords: voluntary disclosure program, tax sanctions, taxpayer compliance, individual taxpayers

1. Introduction

Taxes are the main source of income for the state and their potential will continue to be explored to re-build the country's current economy [1]. The use of funds obtained from the tax sector is regulated in the APBN which is used for national growth and development in various sectors that will support the improvement of the welfare level and standard of living of the Indonesian people, such as in the education, health, industry and other sectors [2]. The role of taxes is so large in national development, making the government continue to strive to increase the level of compliance ratio of taxpayers. This will have an impact on tax revenue, but it cannot be denied that the role of taxpayers is the main key in realizing this [3]. Taxpayer compliance will increase and the implementation or tax receipts can run smoothly, if the government is able to carry out tax dissemination, tax service and law enforcement [4]. Many policies to improve taxpayer compliance have been issued by the government, but to capture this momentum in achieving the target is still difficult to realize. Reflecting on the efforts of the Indonesian state in increasing taxpayer compliance by issuing a tax amnesty policy which aims to overcome the problems of taxpayers who are still experiencing difficulties in increasing awareness of taxpayers themselves [5]. The level of taxpayer compliance will be in line with the increase in participation from the tax amnesty. Likewise, taxpayer compliance will not continue to increase in line with the sanctions imposed [6].

In a working meeting of the Director General of Taxes at the Ministry of Finance of the Republic of Indonesia, Suryo Utomo with Commission XI of the DPR, it was stated that based on Automatic Exchange of Information data, many taxpayers have not disclosed all their income in the 2016-2019 SPT. So many polemics from the impact caused by the COVID-19 pandemic, considering the declining economic growth, the government proposed the Law on the Harmonization of Tax Regulations (RUU HPP) with the hope of being able to increase revenue to the state through tax revenue on the basis of increasing compliance in a general manner. taxpayer voluntary. On October 29, 2021, the government passed Law no. 07 of 2021 concerning Harmonization of Tax Regulations. The content of the law is to regulate the Voluntary Disclosure Program (VDP) which is carried out for first semester in early 2022. The government hopes that in implementing this program, apart from increasing voluntary tax compliance, it is also hoped that Indonesian citizens can repatriate assets placed abroad or repatriate which will certainly increase income from the tax sector. In addition to VDP, the government also imposes tax sanctions to obtain potential income from taxes. Tax sanctions can be given if the taxpayer is unable to fulfill his obligations properly. The government imposes sanctions on VDP if the taxpayer does not submit or has not submitted net assets, he will be subject to final income tax of 30% plus administrative sanctions. The effect of VDP and tax sanctions on tax compliance is also accompanied by an empirical study of research developed by several researchers along with the re-enactment of the tax amnesty program in Indonesia. [7] explained that tax amnesty has positive effect on tax compliance, but [8] explained that tax amnesty has no effect on tax compliance. [9], [10] said that tax sanctions increased tax compliance, while according to [11], [12] explained that tax sanctions have no effect on taxpayer compliance. Those difference results can be explained by the attribution theory which states that the theory of taxpayer compliance is related to the attitude of taxpayers in assessing the tax itself. Basically, attribution theory states that when individuals observe the behavior of others, they try to determine whether it is from internal or externally factors.

The number of facilities and government policies that can make it easier for taxpayers to carry out their obligations, should be able to increase taxpayer compliance with contributions to the state from the tax sector, but the realization of taxpayer compliance is still low compared to the number of taxpayers themselves. With the enactment of VDP and the sanctions applied, it is hoped that taxpayers will report their wealth and carry out their tax obligations in an orderly manner. To follow up on the problems and phenomena that have been described in the background above, the researcher wants to carry out a study entitled "The Effects of Voluntary Disclosure Program (VDP) and Tax Sanctions on Individual Taxpayer Compliance".

Implementation of the Voluntary Disclosure Program (VDP), which aims to increase voluntary compliance, which will have an impact on increasing the country's tax sector. Adopting from attribution theory, the behavior of taxpayers on taxpayer compliance can be caused by the efforts of internal and external factors such as government policies implementing VDP, so that taxpayers can behave or respond because of the demands of the situation. In this study, the Voluntary Disclosure Program (VDS) is the independent variable (X1). Based on research by [7] found that tax amnesty has a positive effect on increasing tax compliance. [13] stated tax amnesty received a positive response and increased taxpayer compliance and [2] found that there was a positive and significant effect of the tax amnesty on individual taxpayer reporting compliance. Referring to the theoretical basis and research results described earlier, the first hypothesis is formulated as follows:

H₁: The Voluntary Disclosure Program partially affects Taxpayer Compliance.

According to [3] tax sanctions are a condition that will determine an event based on the regulations of the tax law that will be carried out by the taxpayer. Looking at the attribution theory, the behavior of fulfilling tax obligations by taxpayers is very much due to good conditions originating from within the taxpayer or internal as well as external or external circumstances. Tax sanctions become the independent variable (X2) in this study. Research conducted by [1] found that there was a significant positive effect between tax sanctions and

the variable taxpayer compliance. [9] stated that tax sanction has a positive effect on taxpayer compliance. [6] also obtained results in his research that there was a positive effect from the strictness of tax sanctions applied to taxpayer compliance. Seeing from the theoretical basis and the results of previous research, the second hypothesis can be arranged as follows:

H₂: Tax sanctions partially affects taxpayer compliance.

According to [13] compliance is a rational action carried out by someone without any coercion from any party. It requires the active role of all taxpayers and the public in implementing the voluntary compliance tax system. The authorities will continue to encourage taxpayers to carry out their obligations, but all decisions return to the taxpayers themselves. The implementation of VDP with tax sanctions exists to give the impression of being orderly and obedient to taxpayers so that they always act rationally without any irregularities. VDP and tax sanctions will become elements in efforts to increase taxpayer compliance if they have a positive understanding of taxes, have good knowledge about taxes, and have sufficient information about taxation and are supplemented by the government in applying tax sanctions. Good cooperation from two directions, namely from taxpayers and from the government will increase mandatory compliance, it can be said that VDP along with tax sanctions applied by the government have an influence on taxpayer compliance. [6] found that there was a positive influence on the application of tax sanctions and tax amnesty to taxpayers seen from their compliance. And research by [14] found the application of tax sanctions and tax amnesty had a positive and significant impact on taxpayer compliance. Looking at the theoretical basis and the results of previous research, the third hypothesis can be developed as follows:

H₃: The Voluntary Disclosure Program and tax sanctions simultaneously affect taxpayer compliance.

2. Method

This study is quantitative research that has the characteristics of a correlation problem, to determine the cause-and-effect relationship of the independent variable, namely the Voluntary Disclosure Program (VDP) and tax sanctions on the dependent variable of taxpayer compliance. The location of this research is KPP Pratama South Badung which is located on Jl. Tantular No.4, Dangin Puri Klod, Kec. East Denpasar, Denpasar City, which was held from February to July 2022. The population in this study, namely individual taxpayers registered at the South Badung KPP Pratama, were 41,580 people, with a total of 100 respondents who had been selected by purposive sampling technique until the end. The data collection technique used is a questionnaire (questionnaire), while the data collection instrument uses a Likert scale. The data analysis techniques used are validity test, reliability test, descriptive data analysis, classical assumption test (normality test, multicollinearity test, and heteroscedasticity test), hypothesis testing (multiple linear regression analysis, coefficient of determination test, t test, and F test).

3. Results and Discussion

Characteristic of Respondents

Table 1. Characteristics of Respondents Based on Gender

No.	Gender	Frequency (Person)	Percentage (%)
1.	Man	62	62
2.	Women	38	38
	Amount	100	100

Source: Data Processed, 2022

Referring to Table 1, the number of responses for male taxpayers is 62% of all respondents and 38% for female taxpayers of all respondents. From this percentage, the majority of the population are male taxpayers.

Table 2. Characteristics of Respondents Based on Age

No.	Age	Frequency (Person)	Percentage (%)
1.	< 25 years old	8	8
2.	25 – 50 years old	75	75
3.	> 50 years old	17	17
Amount		100	100

Source: Data Processed, 2022

Referring to Table 2, the percentage of respondents aged under 25 years is 8% of the total respondents, 75% of respondents aged 25-50 are 75% of all respondents, and respondents aged above 50 years are 17% of all respondents. From these results show the majority of respondents have the age of 25-50 years.

Table 3. Characteristics of Respondents Based on Profession

No.	Profession	Frequency (Person)	Percentage (%)
1.	Employee	52	52
2.	Non-employee	48	48
Amount		100	100

Source: Data Processed, 2022

Referring to Table 3, respondents who have jobs as employees is 52% of the total respondents, while respondents with jobs as non-employees are 38%. It is concluded that the majority of the population has a job as an employee.

Instrument of Validity and Reliability Test

Table 4. Validity Test Results

Statement	r count	r table	Description
Voluntary Disclosure Program (X₁)			
X1.1	0.870	0.195	Valid
X1.2	0.757	0.195	Valid
X1.3	0.739	0.195	Valid
X1.4	0.805	0.195	Valid
X1.5	0.711	0.195	Valid
X1.6	0.698	0.195	Valid
X1.7	0.617	0.195	Valid
Tax Sanctions (X₂)			
X2.1	0.834	0.195	Valid
X2.2	0.816	0.195	Valid
X2.3	0.814	0.195	Valid
X2.4	0.723	0.195	Valid
X2.5	0.778	0.195	Valid
X2.6	0.721	0.195	Valid
Taxpayer Compliance (Y)			
Y1.1	0.820	0.195	
Y1.2	0.781	0.195	Valid
Y1.3	0.839	0.195	Valid
Y1.4	0.578	0.195	Valid
Y1.5	0.859	0.195	Valid
Y1.6	0.802	0.195	Valid
Y1.7	0.72	0.195	Valid

Source: Data Processed, 2022

Referring to Table 4, it shows the overall validity of the questions on the re-search instrument. This conclusion can be drawn because the value of r is greater than the value of r table, which is 0.195.

Table 5. Reliability Test Results

Variable	Cronbach's Alpha	Standard	Description
Voluntary Disclosure Program (X ₁)	0.864	0.60	Reliable
Tax Sanctions (X ₂)	0.870	0.60	Reliable
Taxpayer Compliance (Y)	0.893	0.60	Reliable

Source: Data Processed, 2022

Referring to Table 5, it shows that the overall instrument of the research is stated to be reliable and can be implemented for research because the overall value is above 0.60.

Test of Classic Assumption

Table 6. Normality Test Result

N	Test Statistic	Asymp. Sig. (2-tailed)
100	0.093	0.327

Source: Data Processed, 2022

Referring to the test results in Table 6 the significant value obtained by 0.327 has passed the conditional value requirement, namely 0.05, so the regression equation model used is normally distributed.

Table 7. Multicollinearity Test Result

Variable	Tolerance	VIF
Voluntary Disclosure Program (X ₁)	0.185	5.408
Tax Sanctions (X ₂)	0.255	3.922

Source: Data Processed, 2022

Referring to Table 7, it is shown that all values of the independent variables have exceeded the 10% tolerance value, in which all VIF values have been lower than 10. It can be concluded that there are no symptoms of multicollinearity.

Table 8. Heteroscedasticity Test Results

Variable	Significance
Voluntary Disclosure Program (X ₁)	0.927
Tax Sanctions (X ₂)	0.216

Source: Data Processed, 2022

Table 8 shows that the value of the independent variable is above 0,05 with a significance value for the VDP variable equal to 0.927, and a value of 0.216 for tax sanctions. There is no heteroscedasticity in the study.

Table 9. Multiple Linear Regression Analysis Results

Coefficients ^a						
Model	Unstandardized Coefficients			Standardized Coefficients		Sig.
	B	Std. Error	Beta	t		
1	(Constant)	5.998	1.730		3.467	0.001
	X1	0.176	0.075	0.181	2.342	0.021
	X2	0.724	0.086	0.648	8.381	0.000

Source: Data Processed, 2022

Based on Table 9, the following regression equation is obtained:

$$Y = 5.998 + 0.176 X_1 + 0.724 X_2 \quad (1)$$

According to the regression equation above, the results can be interpreted, namely:

- With a constant value of 5.998, it indicates that if VDP and tax sanctions (independent variables) are declared constant, the value of the dependent variable of taxpayer compliance will be the same as 5.998.
- With the value of the VDP regression coefficient of 0.176, it means that the value of taxpayer compliance increases by the same amount, namely 0.176 if the VDP increases by one point from the previous.
- With the value of the regression coefficient on the tax sanction free variable equal to 0.724 which means that taxpayer compliance will increase equal to 0.724 if the tax penalty has increased by one point from the previous.

Individually testing the hypothesis on the Voluntary Disclosure Program variable with the hypothesis:

H₁: The Voluntary Disclosure Program partially affects Taxpayer Compliance.

Based on Table 9, a significant value of 0.021 is obtained and the positive value of the regression coefficient is 0.176 and the t-count value is 2.342. Significance Value 0.021 < 0.050. It was found that t arithmetic > t table (2,342 > 1.66071) which indicates the decision that H₀ is rejected and H₁ is accept-ed. It can be concluded that the first hypothesis is accepted, which means that the voluntary disclosure program has a positive and significant effect on taxpayer compliance.

Based on the findings of hypothesis testing, VDP is able to increase taxpayer compliance. The more taxpayers understand the objectives and requirements for participating in the voluntary disclosure program, the more taxpayer compliance will also increase. So, VDP organized by the government effectively encourages individual taxpayers compliance. These results are in accordance with what is explained in the attribution theory that one's actions can be understood by knowing internal and external factors. In this study, knowing the behavior of taxpayers related to their compliance can be done with efforts from internal factors, namely the understanding of the taxpayer.

Previous research also supports the results of this study, namely [7] found that tax amnesty through measurement of the taxpayer's understanding of tax amnesty has a positive and significant effect on increasing taxpayer compliance. [13] found that the tax amnesty was responded positively and was able to improve the attitude of taxpayers regarding their compliance seen from the success of increasing voluntary compliance from taxpayers. And [2] found results that the tax amnesty turned out to have a positive and significant effect on individual taxpayer compliance in its reporting.

Partial hypothesis testing on the Voluntary Disclosure Program variable with the hypothesis:

H₂: Tax Sanctions partially affects Taxpayer Compliance.

Referring to the data in Table 9, we get a significant value of 0.000 and a positive regression coefficient value of 0.724 and a t-count value of 8.381. Significance value is less than 0.050 (0.000 < 0.050). And found the results that t count > t table (8.381 > 1.66071) thus

identifying H_0 is rejected and H_2 is accepted. It can be concluded that the second hypothesis is accepted, which means that tax sanctions have a positive and significant effect on taxpayer compliance.

The results of the regression coefficients for each independent variable show a t-test significance value of less than 0.05 which indicates VDP and tax sanctions have a significant and significant effect on the independent variable of taxpayer compliance.

The results of testing the hypothesis illustrate that tax sanctions are able to provide an increase in taxpayer compliance. The stricter the sanctions applied by the tax authorities to all taxpayers who commit violations, the more taxpayer compliance will be. This shows that the implementation of tax sanctions on VDP organized by the government has effectively increased individual taxpayer compliance. These results are in line with attribution theory which states that an effort that can be made in understanding the causes of one's and other people's behavior can be caused by internal or external factors. In this study to determine the behavior of taxpayers towards taxpayer compliance when fulfilling tax obligations is largely determined by circumstances, such as external factors that demand situations with the application of strict tax sanctions.

Previous research also supports and is in line with this research, namely from [1] with the results of tax sanctions on individual taxpayers compliance having no effect but having a positive impact on the taxpayer compliance variable. Likewise, [9] found the results of tax sanctions had a positive and significant impact on taxpayer compliance. And [6] found results, namely the strictness of tax sanctions has a positive impact on taxpayer compliance.

Simultaneous hypothesis testing on the independent variables, namely voluntary disclosure programs and tax sanctions with the hypothesis:

H_3 : The Voluntary Disclosure Program and Tax Sanctions simultaneously affect the Taxpayer Compliance tax.

Table 10. F Test Result

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	420.035	2	210.017	65.095	0.000 ^b
	Residual	312.955	97	3.226		
	Total	732.990	99			

Source: Data Processed, 2022

Based on the data in Table 10, it shows that the significance value of P value is 0.000 which is smaller than 0.05. It can also be seen that $f_{\text{arithmetic}} > f_{\text{table}}$ ($65.095 > 3.09$) which indicates that H_0 is rejected and H_1 is accepted. These results mean that all independent variables are able to predict or explain the phenomenon of taxpayer compliance. In other words, there is a simultaneous influence of the VDP variable and tax sanctions on taxpayer compliance. This means that the model can be used for further analysis.

Table 11. Coefficient of Determination (R^2)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.757 ^a	0.573	0.564	1.79610

Source: Data Processed, 2022

Referring to Table 11 gives the results where the value of Adjusted R Square is 0.564. Which indicates that the variation of taxpayer compliance is significantly influenced by the VDP variable and tax sanctions of 56.4%, while the remaining 43.6% is explained by other factors not examined in this study. Based on the large percentage of Adjusted R Square, it can be seen that VDP and tax sanctions are very important in increasing taxpayer compliance [6], [14].

4. Conclusion

This study aims to determine the effect of VDP and tax sanctions on compliance and simultaneously carried out on individual taxpayers registered at KPP Pratama South Badung. In accordance with the results of the research and discussion in this study, several conclusions were obtained, namely:

- 1) VDP has a positive and significant effect on compliance with individual taxpayers registered at KPP Pratama South Badung. Which means that taxpayers understand their tax rights and obligations, thereby increasing tax awareness and tax compliance.
- 2) Tax sanctions have a positive and significant effect on compliance with individual taxpayers registered at the KPP Pratama South Badung. Which means that individual taxpayer compliance will increase in accordance with the firmness of the application of tax sanctions.
- 3) VDP and tax sanctions simultaneously have a significant effect on compliance with individual taxpayers registered at KPP Pratama South Badung. And simultaneously the two independent variables have an influence on individual taxpayer compliance with an effect of 56.4%.

The next researcher can develop this study by adding other variables outside of this variable to obtain varied results regarding the factors that can increase tax compliance.

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