

Analysis of Human Resource Competencies ON The Quality of Financial Statements in The Perspective of Islamic Accounting

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Abstract

Financial reports are a form of accountability for the management of state / regional finances during a period and the quality of financial reports is strongly influenced by human resources. This study aims to analyze the effect of Human Resource Competence on the Quality of Financial Statements at the Office of the Pematangsiantar Human Resources Staffing and Development Agency. The research method used in this research is descriptive method with qualitative and quantitative approaches. By using a questionnaire as an instrument, the respondents in this study were financial sector employees. In this study, the sampling technique was carried out by purposive sampling and the analysis technique used was simple regression analysis, and the coefficient of determination (R²). The results showed that human resource competence has a positive and significant effect on the quality of financial reports of the Office of the Human Resources Staffing and Development Agency. In sharia accounting, the implementation of accountability must be carried out based on applicable guidelines such as the application of administration in accordance with Islamic law.

Keywords: Human Resources Competence, Financial Statement Quality, Sharia Accounting.

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1. INTRODUCTION

Government Accounting Standards (SAP) are guidelines for presenting and preparing financial reports for central or local governments. Good governance will be realized with SAP, which can carry out its administrative duties following the principles of good governance, which include transparency, accountability, responsibility, openness, and fairness.

Human resources are the basic capital of national development. Therefore, the quality of human resources must continue to be directed and developed to achieve the expected goals. Human resources have two aspects: quality and quantity. The quantity aspect includes the number of people / human resources available, while the quality aspect includes the ability of human resources to carry out development, including physical, non-physical / intelligence and mental abilities.

According to Khoirina, the ability of human resources (HR) to carry out the duties and responsibilities assigned to them with sufficient education, training and experience is defined as the competence of human resources (HR). These competent human resources will be able to understand accounting logic well. If local government human resources do not understand and apply accounting logic correctly, the financial statements prepared will be erroneous and not in accordance with government regulations.

In accordance with Government Regulation No. 24 of 2005, which was amended to Government Regulation No. 71 of 2010, government financial statements must meet Government Accounting Standards (SAP). Government Regulation No. 71 of 2010 concerning Government Accounting Standards (SAP) was implemented in 2015. local government financial statements consist of the

Budget Realization Report (LRA), the Statement of Changes in Budget Balance Over (SAL Statement), the Balance Sheet, the Operational Report (LO), the Cash Flow Statement (LAK), the Statement of Changes in Equity (LPE), and Notes to Financial Statements (CaLK) in accordance with these regulations. Financial statements are of quality if the information presented is understandable, relevant, reliable and comparable.

Public accountability can be defined as the responsibility of government organizations to provide information about government financial activities and performance to parties who need this information. Mardiasmo states that public accountability is the obligation of the trust holder to be responsible for presenting, reporting, and disclosing all actions and activities to the trust giver. As explained in the Al-Quran Surah Al-Anfal verse 27, which reads:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَخُونُوا اللَّهَ وَالرَّسُولَ وَتَخُونُوا أَمْنَتَكُمْ وَأنتُمْ تَعْلَمُونَ

Meaning: O you who believe, do not betray Allah and the Messenger (Muhammad) and (also) do not betray the trusts entrusted to you, while you know it.

Local government financial reports are made to help local governments formulate and evaluate policies in managing sources of funds by providing information related to financial position, budget realization, and financial performance. That way it is expected that local government financial reports have good quality. The quality of financial statements shows how well the management of financial statements. Good financial reports can help the process of making future government policies. If financial reports can provide benefits in decision making, it will encourage the acceleration of development and poverty alleviation.

Accountability is influenced by the quality of financial statements, with the quality of good financial statements will provide dedication to accountability or accountability for these financial statements. SAP is a tool that makes financial reports more transparent and accountable. By using it, financial information can be the basis for government decision making in order to create transparency and accountability. With the

power of law, SAP can help improve the quality of government financial reports in Indonesia.

Competent human resources greatly affect the quality of local government financial reports. Human resource competence is the ability and characteristics of a person who can be identified from the level of education and experience required to perform his duties in his position, so that he can perform his duties professionally, effectively and efficiently (Animah, 2020). Human Resources involved in preparing financial reports at the BKPSDM Pematangsiantar office do not yet have employees with an accounting education background. Human resources with a non-accounting background are still considered capable of preparing financial reports with capital training and technical guidance.

The Personnel and Human Resources Development Agency is one of the government agencies that take care of personnel in the administrative structure of the Pematangsiantar regional government. This office takes care of the personnel sector in general, travel, and daily workers on the basis of government regulations and other applicable laws and regulations. BKPSDM is one of the OPD (Regional Apparatus Organization) of Pematangsiantar City. The Pematangsiantar city government from 2018-2020 received a Reasonable With Exception (WDP) opinion as a result of an examination by the North Sumatra Representative of the Supreme Audit Agency on the Regional Government Financial Statements (LKPD). Then get a change in opinion starting in 2021, namely to an Unqualified Opinion (WTP) since 2021 financial management is carried out properly and accountably. This can be seen from the Unqualified (WTP) opinion obtained on the Pematangsiantar local government financial statements. In achieving this opinion, there are still several notes that need to be improved, as mentioned in an online media article about the control system at the Pematangsiantar BKPSDM office, compliance with laws and regulations and facilities and infrastructure in the field of training have not been fulfilled so that the training needed for HR competence is still not optimal. Therefore, the administration and safeguarding of assets in the office of the Human Resources Personnel and Development Agency has not been carried out systematically, which has resulted in not properly completing the data collection of assets or regional budgets.

Based on the description above, the author wants to find out more about how the influence of human resource competencies on the quality of financial reports in the office of the Pematangsiantar Human Resources Staffing and Development Agency, therefore the author takes research with the **title "Analysis of Human Resource Competencies on the Quality of Financial Statements in a Sharia Accounting Perspective"**.

Government Accounting Standard

Government accounting is defined as a service delivery activity that includes the provision of government financial information consisting of the process of recording, classifying, summarizing, a government financial transaction and interpreting financial information.

Government Accounting Standards according to the regulation of the Republic of Indonesia No. 71 of 2010 (Article 1: 1), are accounting principles relating to the training and offering and level of government financial information. To develop the government's financial statements, it must use Government Accounting Standards. Government Accounting focuses on recording the implementation of the state budget and reporting its realization. Government Accounting has several characteristics, namely a focus on public goals, the use of the accrual basis in measuring financial transactions, strict rules and regulations, separation between budget and accounting, integrated and centralized accounting systems, and transparency in information disclosure (Sadat, 2020). Government Accounting Standards indicators in presenting accurate, relevant, and reliable financial information using accrualbased and cash-based methods. (Reza & Susanti, 2022).

Human Resource Competencies

Human resource competence is a characteristic of a person who has a special ability, such as: skills, knowledge, and has a responsibility (Sudiarti, 2020). According to Ajabar (2020: 4) human resources are very important for an organization to achieve its goals. A good system cannot run without being supported by the quality of adequate human resources, especially the competence of human resources in terms of education, experience, and training.

According to Marwansyah in Wulandari's article, organizational excellence in carrying out activities to provide high-quality goods or services depends on competent human resources. Therefore, to improve

the performance and quality of local government financial reports, human resources must understand government accounting standards which are the basic principles in preparing local government financial reports.

According to Hutapea and Thoha (2008: 28) in Nasution's research, there are three components of human resource competence, namely: 1. Job-related knowledge includes: (a) Know and understand knowledge related to duties and responsibilities in the job. (b) Know knowledge about new regulations, procedures, and techniques in the company. (c) Understand how to use the right information, equipment, and techniques. 2. Individual skills include: (a) Ability to communicate well in writing. (b) Ability to communicate well orally. 3. Work attitude which includes: (a) Having the ability to be creative at work. (b) The existence of a high work spirit. (c) Having the ability to plan or organise.

Quality of Government Financial Statements

Quality is defined by the Big Indonesian Dictionary (KBBI), as the level of good and bad of something; in this case, quality is the level of good and bad financial condition of a company or government, which can be seen from the financial statements. Qualitative characteristics of financial statements are standards that must be met in accounting information to achieve its objectives. The following four characteristics are normative requirements needed for government financial statements to meet the desired quality, namely: (1) Relevant: Financial statements are said to be relevant if they contain information that can affect decision making. Relevant information includes the following: there is information in the form of (feedback value), there is information that is predictive (predictive value), information presented on time, the information presented is available in full. (2) Reliable: The information in the financial statements is free from misleading notions and material errors, presents each fact fairly, and can be verified. Reliable information should have the following characteristics: information is presented honestly, information in financial statements can be verified (verifiability), information is neutral. (3) Comparable: Financial statements will be more useful if the information in them can be compared with the financial statements of the previous period or the financial statements of other reporting entities as a whole in general. Comparisons can be

made internally and externally. (4) Understandable: Financial statements must present information in a way that is easy for users to understand.

2. METHODS

This research was conducted at the office of the Civil Service Agency and Human Resources Development of Pematangsiantar City. This research uses a combination method, which combines quantitative and qualitative methods. The combination method is used simultaneously with the aim of improving research analysis and completing the description of the research results about the phenomenon under study. In this study, the population included 15 employees in the financial sector at the BKPSDM Pematangsiantar office. Researchers use purposive sampling as a sample because this type of research cannot be selected randomly. Because the population is not greater than 100 respondents. (Puspitarini et al., 2017). Researchers use primary and secondary data. And data analysis techniques using descriptive statistical analysis and inferential statistics.

3. RESULTS AND DISCUSSION

3.1. Research results

Financial Report of the Office of the Pematangsiantar Personnel and Human Resources Development Agency.

The process of recording and bookkeeping is the first step of the process until the end is the command of Allah SWT in the Al-Quran Surat Al-Baqarah verse 282.

يَا أَيُّهَا الَّذِينَ آمَنُوا إِذَا تَدَايَيْتُمْ بِدَيْنٍ إِلَىٰ أَجَلٍ مُّسَمًّى فَاكْتُبُوهُ
وَلْيَكْتُب بَيْنَكُمْ كَاتِبٌ بِالْعَدْلِ وَلَا يَأْب كَاتِبٌ أَنْ يَكْتُبَ كَمَا عَلَّمَهُ
اللَّهُ فَلْيَكْتُبْ وَلْيُمْلِلِ الَّذِي عَلَيْهِ الْحَقُّ وَلْيَتَّقِ اللَّهَ رَبَّهُ وَلَا يَبْخَسَ
مِنْهُ شَيْئًا فَإِن كَانَ الَّذِي عَلَيْهِ الْحَقُّ سَفِيهًا أَوْ ضَعِيفًا أَوْ لَا
يَسْتَطِيعُ أَنْ يُبَيِّنَ لَكَ هُوَ فَلْيُمْلِلْ وَلِيَّهُ بِالْعَدْلِ وَاسْتَشْهِدُوا شَهِيدَيْنِ
مِّن رِّجَالِكُمْ فَإِن لَّمْ يَكُونَا رَجُلَيْنِ فَرَجُلٌ وَامْرَأَتَانِ مِمَّن تَرْضَوْنَ مِنَ
الشُّهَدَاءِ أَنْ تَضِلَّ إِحْدَاهُمَا فَتُذَكِّرَ إِحْدَاهُمَا الْأُخْرَىٰ وَلَا يَأْب
الشُّهَدَاءُ إِذَا مَا دُعُوا وَلَا تَسْمَعُوا أَنْ تَكْتُبُوهُ صَغِيرًا أَوْ كَبِيرًا إِلَىٰ
أَجَلِهِ ذَلِكُمْ أَفْسَظُ عِنْدَ اللَّهِ وَأَقْوَمُ لِلشَّهَادَةِ وَأَدْنَىٰ أَلَّا تَرْتَابُوا إِلَّا أَنْ
تَكُونَ تِجَارَةً حَاضِرَةً تُدِيرُونَهَا بَيْنَكُمْ فَلَيْسَ عَلَيْكُمْ جُنَاحٌ أَلَّا

تَكْتُبُوهُمَا وَأَشْهِدُوا إِذَا تَبَايَعْتُمْ وَلَا يُضَارَّ كَاتِبٌ وَلَا شَهِيدٌ وَإِنْ
تَعَلَّوْا فَإِنَّهُ فَسُوقٌ بِكُمْ وَاتَّقُوا اللَّهَ وَيَعْلَمَ اللَّهُ وَاللَّهُ بِكُلِّ شَيْءٍ
عَلِيمٌ

Meaning: "O you who believe, when you enter into debt for a fixed time, you should record it. Let a recorder among you write it down correctly. Let not the recorder refuse to write it down as Allah has taught him. Let him record it, and let the debtor dictate it. And let him fear Allah, his Lord, and let him not diminish it in the least. If the debtor is of unsound mind, or incapable of dictating, let his guardian dictate it correctly. Seek the testimony of two male witnesses among you. If there are not two men, (it is permissible) one man and two women among those whom you like among the witnesses, so that if one of them forgets, the other reminds him. Let not the witnesses refuse when called. And do not tire of keeping records until the time limit, whether the debt is small or large. That is fairer in the sight of Allah, more likely to corroborate the testimony, and closer to avoiding doubt, unless it is a cash trade between you. Then there is no sin on you if you do not record it. Take witnesses when you buy and sell, and do not make it difficult for the recorder, and do not make it difficult for the witnesses. If you do so, it is indeed an unrighteousness on your part. Fear Allah, Allah will teach you, and Allah knows all things."

The verse explains that agreements must be made and there must be witnesses when doing debt and credit or muamalah. This is done to prevent future disputes. In addition, Dan also explains to maintain justice and truth, which emphasizes the importance of accountability so that the parties involved in the transaction are not harmed, do not cause conflict, and are evenly distributed. For this reason, the pressure of accounting is not decision making but accountability. (Hendra Hermain, 2019)

The Head of the Regional Apparatus Work Organization (OPD) is responsible as a Budget / Goods user in accordance with the law of the Republic of Indonesia Number 17 of 2003 concerning State Finance and Regulation of the Minister of Home Affairs Number 13 of 2006 concerning Regional Financial Management Guidelines (as amended by Permendagri number 59 of 2007) has the task of

preparing and submitting financial reports such as Budget Realization Reports, Balance Sheets, and Notes to Financial Statements. This 2022 OPD Financial Report has been prepared and presented in accordance with Government Regulation Number 71

of 2010 concerning Government Accounting Standards (SAP). Thus showing the preparation and presentation of the financial statements of this office is a manifestation of accountability for the use of budgets and / or goods in OPD.

Table 1
Budget Realization Report 2022
Office of the Civil Service and Human Resources Agency Pematangsiantar

NO.	URAIAN	Anggaran 2022	Realisasi 2022	(%)	Realisasi 2021
1	PENDAPATAN	0,00	0,00	0,00	0,00
2	PENDAPATAN ASLI DAERAH	0,00	0,00	0,00	0,00
3	Pendapatan Pajak Daerah Pendapatan Retribusi Daerah				
4	Pendapatan Hasil Pengelolaan Kekayaan Daerah yang Dipisahkan Lain-lain PAD yang sah				
5	PENDAPATAN TRANSFER	0,00	0,00	0,00	0,00
6	TRANSFER PEMERINTAH PUSAT – DANA PERIMBANGAN	0,00	0,00	0,00	0,00
7	Dana Transfer Umum DBH				
8	Dana Transfer Umum DAU				
9	Dana Transfer Khusus DAK Fisik				
10	Dana Transfer Khusus DAK Non Fisik				
11	Dana Insentif Daerah	0,00	0,00	0,00	0,00
12	Pendapatan Transfer Antar Daerah				
13	Pendapatan Bagi hasil				
14	Pendapatan Lainnya				
15	LAIN-LAIN PENDAPATAN YANG SAH	0,00	0,00	0,00	0,00
16	Pendapatan Hibah Pendapatan Dana Darurat				
17	Pendapatan Lainnya				
18	BELANJA	8.130.465.357	6.849.916.385	84,25	6.223.998.554
19	BELANJA OPERASI	7.870.129.057,	6.590.520.185	83,74	5.888.964.554
20	Belanja Pegawai Belanja Barang	3.934.215.810	3.674.328.634	93,39	3.248.842.292
21	Bunga	3.935.913.247	2.916.191.551	74,09	2.640.122.262.
22	Subsidi				
23	Hibah			0,00	0,00
24	Bantuan Sosial				
25	BELANJA MODAL	260.336.300	259.396.200	99,64	335.034.000
26	Belanja Tanah	0,00	0,00	0,00	0,00
27	Belanja Peralatan dan Mesin Belanja Gedung dan Bangunan Belanja Jalan, Irigasi dan Jaringan				
28	Belanja Aset Tetap Lainnya Belanja Aset Lainnya	260.336.300	259.396.200	99,64	335.034.000
29	BELANJA TAK TERDUGA	0,00	0,00	0,00	0,00
30	Belanja Tak Terduga			0,00	0,00
31	BELANJA TRANSFER			0,00	0,00
32	TRANSFER/BAGI HASIL KE DESA			0,00	0,00
33	Bagi Hasil Pajak			0,00	0,00
34	Bagi Hasil Retribusi				
35	Bagi Hasil Pendapatan Lainnya				
36	SURPLUS/DEFISIT	-8.130.465.357	-6.849.916.385	84,25	-6.223.998.554

NO.	URAIAN	Anggaran 20X1	Realisasi 20X1	(%)	Realisasi 20X0
37	PEMBIAYAAN				
38	PENERIMAAN PEMBIAYAAN	0,00	0,00		0,00
39	Penggunaan SiLPA			0,00	0,00
40	SILPA BOS			0,00	0,00
41	Pencairan Dana Cadangan			0,00	0,00
42	Hasil Penjualan Kekayaan Daerah yang Dipisahkan			0,00	0,00
43	Pinjaman - Pemerintah Daerah Lainnya			0,00	0,00
44	Penerimaan Kembali Pemberian Pinjaman Daerah			0,00	0,00
45	PENGELUARAN PEMBIAYAAN	0,00	0,00		0,00
46	Pembentukan Dana Cadangan Penyertaan Modal			0,00	0,00
47	Pemerintah Daerah			0,00	0,00
48	Pembayaran Pokok Pinjaman - Lembaga Keuangan Bank			0,00	0,00
48	Pembayaran Pokok Pinjaman - Lainnya			0,00	0,00
49	Pemberian Pinjaman Daerah				
	PEMBIAYAAN NETO	0,00	0,00		0,00
	Sisa Lebih Pembiayaan Anggaran	-8.130.465.357	-6.849.916.385	0,00	-6.223.998.554

Source: Financial Report of BKPSDM Pematangsiantar

According to PP No 71 of 2010, the financial statements of the PUPR Office of Pematangsiantar City, especially the part related to budget realization, are in accordance with PP No71 of 2010 as shown above.

Accountability is fully responsible to the community and means that the budgeting process begins with planning, preparation, and implementation which must be reported and accounted for to the public (Septiani, 2022). Accountability to God is carried out by applying Islamic sharia in maintaining the trust given by Allah SWT while accountability to a person is carried out by providing a report, information needed by stakeholders and the report will be accounted for to the public or to interested parties. As Allah's Word in Q.S. An-nahl / 16: 91.

وَأَوْفُوا بِعَهْدِ اللَّهِ إِذَا عَاهَدْتُمْ وَلَا تَنْقُضُوا الْأَيْمَانَ بَعْدَ تَوْكِيدِهَا وَقَدْ جَعَلْتُمُ اللَّهَ عَلَيْكُمْ كَفِيلًا إِنَّ اللَّهَ يَعْلَمُ مَا تَعْمَلُونَ

Meaning: "And fulfil your covenant with the Creator if you have a covenant and do not break your oaths after confirming them, but you have made Allah your witness (to your oaths). Verily, Allah knows what you do".

Based on the verse above, accountability in an Islamic perspective when related to finance is a form of accountability based on the trust given to be

accountable to the trustee. Funds obtained large or small need to be trustworthy and accounted for.

And below is the data that has been applied by the Office of the Pematangsiantar Personnel and Human Resources Development Agency in accordance with PP No. 71 of 2010 and is not fully implemented, this can be seen in the following table:

TABLE 2

Types of Financial reports

No	Types of Financial Statements	There is	None
1	Budget Realization Report	✓	
2	Statement of Changes in Excess Budget Balance		✓
3	Balance Sheet	✓	
4	Operational Report	✓	
5	Cash Flow Statement		✓
6	Statement of Changes in Equity	✓	
7	Notes to the Financial Statements		✓

Based on the table above, the financial statements of the Office of the Pematangsiantar Personnel and Human Resources Development Agency do not use / apply a specific Change in Budget Balance report such as the reports above, instead this report is recorded directly at the end of the budget realization report called SILPA (Remaining Budget Financing). In

addition, the Cash Flow Statement is also not attached to the annual financial report of the Pematangsiantar Personnel and Human Resources Development Agency, the Head of the Sub Division of Finance said that the Cash Flow report is not attached to the annual Financial report but is only recorded directly in the General Cash Book (BKU). And Notes on Financial Statements are also not attached to the financial statements.

Data Quality Test

Validity Tes

Table 4
Results of the Human Resources Competency Variable Validity Test (X)

Statement	rCount	rTabel	Description
X1	0.793	0.514	Valid
X2	0.607	0.514	Valid
X3	0.815	0.514	Valid
X4	0.608	0.514	Valid
X5	0.859	0.514	Valid
X6	0.019	0.514	Invalid
X7	0.752	0.514	Valid
X8	0.611	0.514	Valid
X9	0.519	0.514	Valid
X10	0.589	0.514	Valid

Source: SPSS Processed Data, 2024

Table 5 Validity Test Results of Financial Statement Quality (Y)

Statement	rCount	rTabel	Description
Y1	0.811	0.514	Valid
Y2	0.698	0.514	Valid
Y3	0.856	0.514	Valid
Y4	0.747	0.514	Valid
Y5	0.556	0.514	Valid
Y6	0.647	0.514	Valid
Y7	0.598	0.514	Valid
Y8	0.843	0.514	Valid
Y9	0.685	0.514	Valid
Y10	0.797	0.514	Valid

Source: SPSS Processed Data, 2024

Reliability Test

Variable X HR Competence (X)

Table 6
Reliability Test

Cronbach's Alpha	N of Items
.740	10

Variable Y Quality of Financial Statements (Y)

Cronbach's Alpha	N of Items
.808	10

Basis for Decision Making:

- If the Cronbach alpha value is >0.60 , then the data is reliable.
- If the Cronbach alpha value is 0.60 , it means that all data is reliable and can be tested further.

The SPSS output above shows that the Cronbach alpha value (in yellow blocks) is > 0.60 , which means that all data is reliable and feasible for further testing.

Descriptive Analysis

Descriptive analysis is a description of the frequency of respondents answering statements on the research questionnaire regarding HR competence and the quality of financial statements. Descriptive analysis explains the respondent's answer choices from 1 to 5 which describe the level of answer based on the indicators of the statement perceived by the respondent. Based on the results of the questionnaires that have been distributed and filled in by 15 financial sector employees at the Pematangsiantar Human Resources Staffing and Development Agency office.

1. Descriptive Analysis

Table 7
Descriptive Statistics

	N	Range	Min	Max	Mean	Std. Deviation
Human Resource Competencies	15	13	38	51	41.73	3.218
Financial Statement Quality	15	9	40	49	44.00	2.777
Valid N (listwise)	15					

Source: Processed from Spss Output, 2024

Table 7 shows that human resource competence has a minimum value of 38 respondents' answers, a maximum of 51, and an average of 41.7. Meanwhile, the quality of financial reports has a minimum value of 40 respondents' answers, a maximum of 49 respondents' answers, and an average of 44 respondents' answers.

Inferential statistical analysis

Simple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	31.676	6.711		4.720	.000
Human Resource Competency	.307	.166	.456	1.845	.088

a. Dependent Variable: Financial Statement Quality

Based on the table above, the multiple linear regression results obtained the resulting regression equation as follows:

$$Y = \alpha + \beta X$$

$$Y = 31.676 + 0.307X$$

Based on the regression equation above, it can be explained as follows:

- a. The constant value (a) is 31.676. This means that if HR Competence is assumed to be zero (0), then the quality of financial statements is 31.676.
- b. The regression coefficient value of 0.307 and is positive, stating that if HR competence increases by 1 unit, the quality of financial statements will increase by 0.307.

Determinant Coefficient

Table 9 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.456 ^a	.208	.147	2.566

- a. Predictors: (Constant), Human resource competencies SPSS Management Results, 2024

Table 7 above shows the coefficient of determination (Rsquare) of 0.208 or 20%. This shows that Report Quality is influenced by 20% by the independent variable, namely Human Resource Competence. While the remaining 80% is influenced by other variables that are not included in this research model.

3.2. Discussion

Human Resources Competence on the Quality of Financial Statements

Based on the results of the study, it is obtained that Human Resources Competence has a positive and significant effect on the Quality of Financial Statements of the Office of the Pematangsiantar Human Resources Staffing and Development Agency. The positive and significant coefficient in the results of this study means that with the better Human Resource Competencies possessed by BKPSDM Office employees, it will be able to improve the Quality of Financial Statements as government accountability in managing its finances. a summary of financial transactions or the results of accounting activities is called a financial report. The financial statements of government organizations are assertions from government management that inform other parties (stakeholders) about the government's financial condition.

According to Mitjo (2023), organizations or entities that have high-quality human resources are supported by an accounting education background, so that they already have knowledge in the financial sector so that they can understand accounting logic and can present good quality financial reports away from misstatements. So why is there an influence on the competence of human resources with the quality of the financial statements of the BKPSDM Office, this can be caused by the placement or background of employees who are not in accordance with their fields. The lack of competence of human resources with an accounting education background and the placement of employees who are not in accordance with their fields have a relationship with the quality of the financial statements that will be produced, namely the quality of the financial statements is less. Therefore, the quality of financial reports produced by the BKPSDM office is influenced by the competence of human resources, such as educational background and employee placement in accordance with their fields. Then according to one of the Islamic accounting perspectives, namely transparency, accountability to obtain precise and accurate transparency and updates is needed, one of which is the ability to digitize as in the results of research by kamilah & yenni samri (2024).

The results of this study are in line with research conducted by Delviana & Rosananda (2021) whose research results show that HR competence has a significant positive effect on the quality of local government financial reports. In addition, the results of research by Safitri et al, (2023) also show the same research results, namely Human Resource Competence has a positive and significant effect on the Quality of Regional Financial Reports.

To achieve quality financial reports, local government planning, control, and decision-making purposes must pay attention to the information presented in the financial statements. To obtain quality financial statements, they must meet the qualitative characteristics of financial statements as stated in PP No. 71 of 2010 concerning government accounting standards, namely relevant, reliable, comparable, and understandable. This is also explained in the Al-Quran Surah Al-Ahzab verse 70, which reads:

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَقُولُوا قَوْلًا سَدِيدًا

Meaning: O you who believe, fear Allah and speak the true word.

The above verse explains that Allah SWT commands believers to always fear Allah SWT and speak honestly (truthfully). The meaning of honesty covers all aspects of human life. In terms of presenting financial statements, for example, the contents of financial statements must show events that have occurred and are supported by transaction evidence. The presentation must describe the actual situation in the field. All information presented in the financial statements is the responsibility of the reporting entity. This is in line with the qualitative characteristics of financial statements stipulated in PP No. 71 of 2010, which includes the reliability of financial statements, namely financial statements presented based on events that can be accounted for.

4. CONCLUSIONS

The results of the descriptive analysis test show that the questionnaires that have been distributed to relevant employees in the financial sector are valid. All questions submitted to the entire financial staff have been filled in. The results show that the competence of human resources and the quality of financial reports are agreed.

From the results of this study, it is concluded that Human Resources Competence has a positive and significant effect on the Quality of Financial Statements of the Office of the Human Resources Staffing and Development Agency, the better the Human Resources Competence of employees, it will be able to improve the Quality of Financial Statements of the Office of the Human Resources Staffing and Development Agency as government accountability in managing its finances. Accountability is a form of accountability of a person who gets a mandate to be a leader, this is in accordance with the Islamic perspective. If an organization / company leader carries out his responsibilities with trustworthiness, fairness and honesty then the organization is said to be successful. Accountability is not only in the world but also to Allah SWT and the form of accountability is in accordance with the mandate that is owned to be accountable to the trust giver. As an obligation to convey accountability is explained in the letter Q.S An-Nahl verse 91.

After conducting the research, there are suggestions from researchers that the Office of the Civil Service Agency and the development of Human Resources is expected to further improve the competence of human resources employees in the

financial sector in managing financial reports, by participating in trainings or activities on making financial reports in accordance with the applicable regional SAP, so that later they will be able to carry out functions related to the financial sector or the functional field they currently occupy in order to realize an increase in terms of efficiency, effectiveness and also in terms of productivity at the Office of the Civil Service Agency and the development of Human Resources. further research is expected to add other factors that can affect the quality of financial reports in the government sector.

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