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The Relations of Human Resources and Information Technology of Regional Financial and Asset Management Agency on the Fixed Asset Revaluation Presentation

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ABSTRACT

The follow-up to the recording of the results of the repair of State Property (BMN) has yet to be realized because it was not received by the Financial Management Agency (BPK). This study aims to examine two factors that influence the achievement of the presentation of fixed asset revaluation, namely human resources and information technology. This study found out how influential these two factors were by distributing questionnaires to the staff at the DPPKAD Tulungagung District. Furthermore, this study used the PLS (Patrial Least Square) method with the help of the SmartPLS 3.0 software tool, which assesses the measurement model and structural model of the research. The data processing results that human resources influence the presentation of fixed asset revaluations. Meanwhile, information technology does not affect the presentation of fixed asset revaluation.

Keywords: government, human, revaluation, technology.

PRELIMINARY

Asset revaluation is one aspect that can improve the condition of institutional and company financial reports because it can improve the quality of reports. The official website of the Ministry of Finance (DJKN, 2018) states that the revaluation of state-owned fixed assets nationally as of April 2018 reached 14%. However, in the Financial Management Agency Audit Report on the revaluation of fixed assets for 2017-2018 at the Ministry of Finance as Goods Management, the Ministry as Goods User and related agencies stated that the BPK auditors concluded that they did not accept the results of the inspection.

The 2019 BPK findings through BMN investigation stated that no recording or presentation was found in the BMN list and financial reports in accordance with the provisions of the Laws and Regulations. Then a follow-up was carried out in the form of submission to Official Note Number ND-942/SJ.7/2020 on May 15 2020 regarding the follow-up of BMN but there was no BMN revaluation report within the Ministry of Finance specific work units. Another finding is that it has been found that the results of repairs to BMN have been recorded, but the results are not presented in the financial statements of the BMN list.

Fixed assets can have a major influence on the activities of a government. The function of these fixed assets is to provide facilities and infrastructure to provide full service to the community. In terms of value, fixed assets have a high value compared to the value of other assets. Therefore, the government in carrying out each of its activities requires adequate fixed assets to run optimally. So it is necessary to revaluate fixed assets so that they can reflect the value of fixed assets in the present and in the future. However, the treatment for fixed assets that have no future economic benefits can be permanently terminated (Nursafitri and Andayani, 2021) .

With the presentation of fixed asset revaluation, the value of the fixed assets will be updated according to the current market value. Besides that, the purpose of presenting the revaluation of fixed assets at the Tulungagung Regency BPKAD is so that the public sector can carry out cost and income calculations so that they are in accordance with fair value. If presenting a revaluation of fixed assets aims to see the ability and value of the company owned by BPKAD Tulungagung Regency. If the Tulungagung Regency BPKAD does not apply the presentation of fixed asset revaluation, the increase in the value of fixed assets will provide cash inflows in government finances. In addition, if you do not measure the fair value of assets, the government will not need appraiser services and will not increase expenses.

Positive Accounting Theory (PAT) is defined as a constant theory according to the argument, that the main responsibility of a company is to use its resources involved in every activity that has been designed to increase profit (Ulum *et al.* , 2021) . Viewed from the perspective of the public sector, the government as the holder of the mandate has the responsibility to provide obligations for all activities and activities to those who have the right to hold accountable. This form of accountability is in the form of presenting the revaluation of government fixed assets in order to support the smooth running of every government activity.

's previous research (2020) conducted research at various Indonesian ministry agencies on BMN management using the path analysis method using the Structural Equation Model (SEM) Partial Least Squares (PLS), the results of data processing concluded that HR competence and information technology had an effect on revaluation government assets. While Puspitarini *et* *al.* (2017) conducted research on 16 ministries and 3 Indonesian government agencies managing and managing BMN using the linear regression analysis method. Then the results of this study are HR competencies affect the application of accrual-based accounting and information technology does not affect the application of accrual-based accounting. While Animah *et al.* (2020) conducted research on MSMEs in West Lombok who have used an accounting information system. This study uses multiple regression methods, the results of this study indicate that HR competence does not affect the quality of financial reports and accounting information systems affect the quality of financial reports.

This study using the Tulungagung Regency BPKAD object, especially focusing on the presentation part of the fixed asset revaluation. In addition, I want to research the issue on the official website of the Ministry of Finance in asset revaluation for the absence of presentation in the 2019 semester financial reports. This phenomenon is appropriate and is found in the Tulungagung Regency BPKAD, therefore it is assisted by the main components regarding HR competencies and the use of Information Technology.

Previous Research

Young *et al.* (2017) examined the effect of HR competence and the use of information technology on the quality of local government financial reports. This research was conducted in the Regional Government of Labuhanbatu Regency, Indonesia. The method used is path analysis of the Structural Equation Model (SEM). The results of this study state that the competence of human resources and the use of information technology have an effect on financial reports.

Zubaidi *et al.* (2019) tested the effect of HR competencies and accounting information systems on the quality of financial reports. This study uses multiple linear regression analysis method. The result of this data processing is that HR competence does not affect the quality of financial reports, but the accounting information system affects the quality of financial reports.

Research belonging to Puspitarini *et al.* (2017) tested the effect of HR competence and information technology on the accrual-based government accounting implementation. This research was conducted at the central government ministry/agency for BMN management. This research method uses linear regression analysis. The test results state that HR competence influences the application of accrual-based government accounting at BMN. However, information technology has no effect on the application of accrual-based government accounting at BMN.

(Gasperz, 2019) conducted research by examining the effect of HR competence, government internal control systems and information technology on the quality of financial reports. This research was conducted at the Central Bureau of Statistics in the Maluku region. The analytical method used is multiple linear regression analysis with the results of the hypothesis showing that HR competence and internal government control systems affect the quality of financial reports. While the use of information technology has no effect on the quality of financial reports.

Agency Theory

Agency theory is for decision-making information sources. Over time the source of information can affect the organization in operation. Perspective in accounting information is to view stock prices according to market prices. Positive Accounting Theory (PAT) describes the occurrence of accounting practice validation. The function of PAT is to view and explain companies that use accounting methods (Ulum *et al.* , 2021) .

Human Resource Competency

Competence is a number of abilities in each individual that comes from knowledge, skills, attitudes and behaviors that can improve performance. Human resource competence is the ability of HR to carry out the responsibilities that have been given with support in the form of adequate training, experience and education (Gasperz, 2019) .

Information Technology

Information technology is defined as computer technology that functions to process and store information data. Information technology consists of computer technology, communication technology and technology that can provide added value to an organization. This added value can be measured by looking at the quality value generated by the information. Information technology (Nengsy, 2018) .

Fixed Assets Revaluation

In the determination of SAP Number 7 of 2019, revaluation or revaluation of fixed assets is generally not permitted because the Government Accounting Standards adhere to the valuation of assets based on acquisition cost or exchange price. Deviations from this provision may be made based on government regulations that apply nationally.

according to Waluyo (2010) is a revaluation of a company's fixed assets that have been caused by inflation in the market due to the low value of assets in the financial statements. Revaluation of fixed assets is usually based on the fair value or market value of the fixed assets at the time of valuation. The assessment uses a valid valuation method that has been recognized by the Government.

Hypothesis Formulation

1. Human Resources on the Presentation of Fixed Assets Revaluation

   HR competence has an important role in the success of the company. That way, competent human resources are needed in management and administration in accordance with government accounting standards. Because the higher the competence of human resources determines the quality of information in the presentation of fixed asset revaluation presented to the government. Based on this, the following hypothesis is found:

   H1: Human Resource Competence influences the Presentation of Fixed Assets Revaluation

2. Information Technology on the Presentation of Fixed Assets Revaluation

   Information technology is very important in an organization because it can help work well. So that it can provide information reports including the presentation of fixed asset revaluations thereby increasing the performance of a company. Then found the second hypothesis in this study is:

   H2: Utilization of Information Technology affects the Presentation of Fixed Assets Revaluation

Framework

The variable of this research is the independent variable (X), namely human resources and information technology which influences the presentation of fixed asset revaluation as a variable (Y).

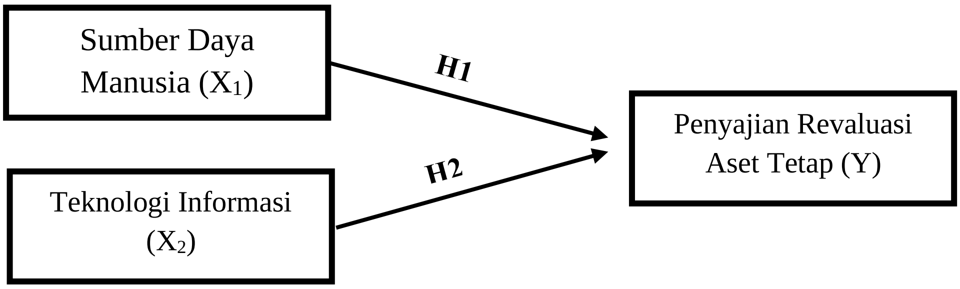

Figure 1. Research Model

RESEARCH METHODS

This type of research is descriptive associative which aims to explain something from the influence of a study by analyzing the relationship between variables. In this study, the census method was used in taking the population and the sampling technique because the samples were taken from the entire population, namely all staff at the Tulungagung Regency BPKAD. This study uses primary data by distributing questionnaires by distributing a list of research-related questions to respondents. The questionnaire in this study was distributed to the staff of the Tulungagung District BPKAD office. Data analysis using PLS-SEM must at least go through 5 (five) stages of the process where each stage carried out will have an effect on the next stage. These stages include the conceptual model, determine the algorithm analysis method, determine the resampling method, draw the path diagram, and the model evaluation stage. At this stage it is necessary to do before further analysis, because this serves to ensure that each element is valid and reliable in each evaluation before building relationships between constructs (Yamin and Kurniawan, 2009) .

Operational Definition and Variable Measurement

Variable	Dimensions	Indicator	Scale	Source
Human Resources (X2)	Knowledge	Legal basis and following outreach related to fixed asset revaluation	*Likert*	(Riandani, 2017)
		Able to apply reporting presentation according to PSAP		
	Skill	Able to operate Information Technology		

	Attitude	Can communicate with stakeholders		
		Can communicate with superiors		
		Have a curious soul on fixed asset revaluation		
Information Technology (X2)	Utilization	There is an application related to the presentation of Assets	*Likert*	(Riandani, 2017)
		Mastery of the application by staff/officers		
		Utilize responsibly		
	Use	Facilitate work on asset revaluation		
		Timeliness of fixed asset revaluation results		
		Easy access to data quickly and accurately		
	Security and Maintenance	Update Application		

Variable	Dimensions	Indicator	Scale	Source
Asset Revaluation (Y)	Preparatory Data and Documents	Detailed list of assets and acquisition documents	*Likert*	(Indra, 2020)
		Asset ownership documents		
		Identity Card (KIB) for each asset		
		Asset record		
	Asset Implementation	Match the contents of the revaluation form with the physical assets		

Table 1. Operational definitions and variable measurements

RESULTS AND DISCUSSION

DATA DESCRIPTION

Data collection in this study was carried out by distributing questionnaires to the Tulungagung District BPKAD. A total of 50 questionnaires can be used in this study and obtained data on the characteristics of the respondents in general, namely:

a. Gender

Dominated by men, totaling 32 people and the remaining 18 people are women.

b. Age

At the age of 21-30 years there were 3 people, 31-40 years totaled 21 people, 41-50 years there were 18 people and aged > 50 totaled 6 people.

c. Last education

The highest frequency of respondents was Bachelor's education with a total of 23 people.

d. Length of work

Dominated by employees who work for 11-15 years with a total of 21 people.

SMARTPLS ANALYSIS

OuterModel _

1. ***Convergent Validity***

Convergent validity of the measurement model can be from the correlation between item points and construct points (*loading factor*) with the criteria on the *loading factor value* . The limit in the *loading factor* used is 0.7 so that the data can be categorized as *valid* .

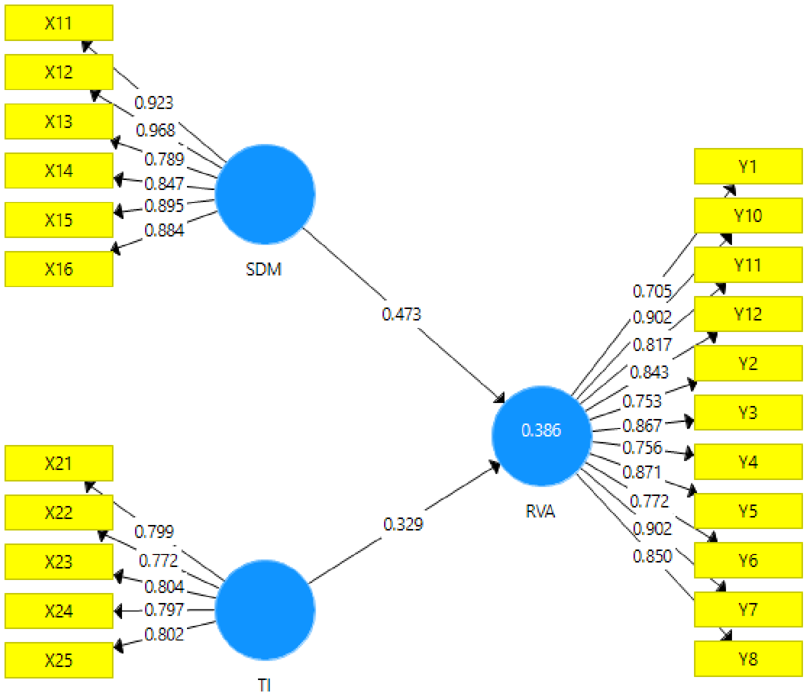

Figure 2. Results of *factor loading*

2. ***Discriminant Validity***

Discriminant validity is the level of differentiation of an indicator in measuring the instrument construct. *Discriminant validity* testing is carried out by examining the *cross loading* which is the correlation coefficient of the indicator to the associated construct (*crossloading*) compared to the correlation coefficient with other constructs (*cross loading*).

The *loading value* of each indicator item to the construct is greater than the *cross loading value.* So it can be concluded that all latent variables (constructs) have met good *discriminant validity* ,

The next evaluation is to compare the AVE root value with the correlation between contracts. All constructs have shown that the AVE value is greater than 0.50 with the smallest value being 0.63 for the Information Technology variable and the largest value being in Human Resources with a value of 0.785. The resulting value meets the specified minimum AVE limit.

	AVE	The square root of AVE
RVA	0.679	0.824
HR	0.785	0.529
IT	0.632	0.410

Table 2. *AVE* values and *AVE* square root

The next stage is to compare. Comparison between the square roots of the AVE with the correlations between the constructs in the model.

	RVA (X1)	HR (X2)	IT (Y)
Fixed Assets Revaluation	0.824		
Human Resources	0.529	0.886	
Information Technology	0.410	0.172	0.795

Table 3. Correlation Value between Contracts and Root Values

The AVE square root value in each construct is greater than the correlation value, it can be said that good *discriminant validity* .

3. Composite Reliability **Value**

Next is to test the reliability of the construct as measured using the *Composite Reliability* (CR) of the indicator block which measures the CR construct to display good reliability.

The results of the composite reliability and Cronbach's Alpha tests show a value of > 0.6 so that all constructs can be said to have good reliability with the required minimum limit.

InnerModel _

1. ***Path Coefficient***

   The result of eliminating several invalid questions, the Human Resources variable has an influence on Fixed Assets Revaluation of 0.473 or 47.3%. Furthermore, the Information Technology variable has an influence on Fixed Assets Revaluation of 0.329 or 32.9%.

2. **Determination Test (R^2)**

   ^{2} analysis or determination test serves to find out how much the independent variable is to the dependent variable.

   The results of the r -*square value* in Table 4.8 are 0.386 or 38.6% which indicates that variations or changes in Fixed Assets Revaluation are influenced by Human Resources and Information Technology.

	R – *Square*
RVA	0.386

Table 4. R -*Square value*

3. **Predictive Relevance (Q^2)**

   In PLS $Q^{2 \text{ is}}$ adapted using a *blindfolding procedure*, if the $Q^{2 \text{ value}} > 0$ then the model has *predictive relevance* , whereas if the $Q^{2 \text{ value}} < 0$ then the model has less *predictive relevance.* The higher the Q2, the better the model can be said.

	SSO	SSE	Q^2 (=1-SSE/SSO)
RVA (Y)	550,000	418,975	0.238
HR (X1)	300,000	300,000	

IT (X2)	250,000	250,000

Table 5. *Predictive Relevance* Results

DISCUSSION

1. **Effect of Human Resources on the Presentation of Fixed Assets Revaluation**

   The beta coefficient value of HR competence influences the Presentation of Fixed Assets Revaluation. These results were declared influential because the t-statistic was >1.96 with a p-value <0.05 so the first hypothesis was accepted. These results support research conducted by Pelamonia (2021) which states that resource competence influences the timeliness of financial reporting.

   The higher the level of human resource competence at BPKAD, the higher the quality of preparing the presentation of fixed asset revaluation. The high competence of human resources also comes from the level of education attained by the Tulungagung District BPKAD staff. In addition, HR competence can also be formed through training organized by the government. This is in accordance with the PAT (Positive Accounting Theory) agency theory which states that the main responsibility of the company is to use the resources involved in each of its activities to increase profits.

2. **Effect of Information Technology on the Presentation of Fixed Assets Revaluation**

   The beta coefficient value of Information Technology on the Revaluation of Fixed Assets, the p-value is 0.373 and the t-statistic is 1.553. These results were stated to have no effect because the t-statistic was <1.96 with a p-value > 0.05, so the second hypothesis was rejected. This research is in line with Sundari and Rahayu's (2019) that the use of Information Technology has no effect on SKPD Financial Reports in the City of Bandung.

   Utilization of Information Technology at BPKAD Tulungagung Regency has not been used optimally in presenting fixed asset revaluation. Even though the government has provided software to prepare the fixed asset revaluation presentation, the Tulungagung Regency BPKAD staff still consider this only an obligation. That way, it is without knowing the uses and benefits of using Information Technology in detail. This is in accordance with Stewardship theory which illustrates that management is not motivated by individual goals but rather emphasizes the main goals for the benefit of the organization. As a government institution, it is obligatory to carry out its duties and responsibilities in order to be trusted.

CONCLUSION

Human Resources have an effect on the Presentation of Fixed Assets Revaluation. This proves that the higher the level of competence of HR will improve the quality of presentation of the resulting fixed asset revaluation. HR competency skills are largely influenced by the educational background of BPKAD staff and the training held.

Information Technology has no effect on the Presentation of Fixed Assets Revaluation, this proves that even though there are complete facilities available in Information Technology, they are not necessarily used according to their benefits properly. presentation of fixed asset revaluation.

SUGGESTION

1. For the community and students can add literature.
2. For future researchers, it is hoped that they can expand this research but still focus on presenting fixed asset revaluation.

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