

The Influence of Understanding Accounting and Utilization of Accounting Information Systems on the Quality of Financial Reports in Cooperative Businesses in the DKI Jakarta Region

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ABSTRACT

This study aims to determine how the influence of accounting understanding and the use of accounting information systems on the quality of financial reports (Survey on Cooperative Enterprises in the DKI Jakarta Region). The research that will be conducted regarding the effect of understanding accounting and utilizing accounting information systems on the quality of financial reports refers to several relevant previous studies. This is necessary to know the position and the currentness of the research being conducted and can be used as a comparison or reinforcement for previous research. The population used in this study were cooperatives in the DKI Jakarta area, totaling 3,447 cooperatives. The sampling technique in this study used a purposive sampling method and obtained 97 samples. The results of the study show that understanding of accounting has a positive effect on the quality of financial reports in cooperative businesses in DKI Jakarta. Utilization of accounting information systems has a positive and significant effect on the quality of financial reports in cooperative businesses in the DKI Jakarta Region. Simultaneously understanding of accounting and utilization of accounting information systems has a significant positive effect on the quality of financial reports in cooperative businesses in the DKI Jakarta Region.

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1. INTRODUCTION

The existence of cooperatives in Indonesia has an important role for every institution and members who run them, one of which is to develop the economy. Based on Law Number 25 of 1992, cooperatives can be defined as business entities that have members, where each member has their own duties and responsibilities. Each member has the same voting rights in every decision that will be taken, because it is based on deliberation and consensus (Prananto, 2020).

The phenomenon that occurs is that sometimes cooperatives experience general problems, including capital problems and management competency when completing financial reports, which is still relatively low. It is often said that a company's human resources are among the most important factors in determining the reliability of its financial reports (Trinoviani, n.d.). Based on the report prepared, you can find out the amount of remaining business results obtained and the remaining amount of business results that will be distributed to members. Unsystematic financial reports will also result in efficiency and effectiveness problems. Preparing effective reports is seen in the accuracy of the data, as well as timely delivery (Bestari & Satyawan, 2020). The timeliness of submission and the quality of the annual financial report are among the determinants of the quality

of the information contained in the annual report for users. In general, the development of cooperatives in DKI Jakarta has increased, based on the depkop.go.id website, a table of the number of active cooperatives and successfully holding RATs as of December 31 2018-2022 is obtained.

Table 1. Number of Active Cooperatives and Successfully Holding RAT as of 31 December 2018-2022

Year	Active Cooperative	Member Meeting Annual (RAT)
2018	2.873	611
2019	3.447	769
2020	3755	943
2021	4542	1362
2022	4896	1370

From the data taken, it can be seen that in 2019 only 22% or 769, 2020 3755 only 25% or 943 cooperatives, 2021 only 30% or 1362 and 2022 only 28% or 1,370 of the number of cooperatives in the DKI Jakarta area of 3,447 successful cooperatives carry out the RAT and report it to the Ministry of KUKM. With the emergence of these problems, there is a delay in financial reporting, while the information in the financial reports can be said to be relevant if it is timely. An important element in financial reports is effectiveness in their preparation, so that they do not contain elements of misstatement which result in the information received not being true. Effectiveness is related to an activity working properly in order to achieve better results according to the goal. This relates to reliability and trustworthiness in financial reports with audits carried out to create cooperative accountability. Understanding the importance of the quality of financial reports is one form of implementing policies that have been made and can be used as a benchmark in improving individual competence (Made et al., 2017).

At the Annual Member Meeting (RAT), the cooperative management presents an accountability report to the owners or members of the cooperative based on the information provided in the financial report. RAT accepts only high-quality financial reports that fully meet all standards. Inspection is a method used to determine the quality of financial reports based on the level of compliance with standards and the accuracy of reporting. Relevance, reliability, comparability and clarity are four qualitative aspects that can be used to evaluate the quality of financial reporting. As according to the FASB, namely The qualitative characteristics of financial statements agree on the basic criteria for choosing accounting methods and financial reporting and disclosure requirements ((*Statement of Financial Accounting Concept No.2: Qualitative Characteristics of Accounting Information*, 1980)

The first factor that is thought to influence the low effectiveness of cooperative financial reporting is a lack of understanding of SAK-ETAP based accounting Ikatan Akuntan Indonesia, (2016), SAK ETAP is the Financial Accounting Standard for Entities Without Public Accountability. An entity that does not have public accountability is an entity that has little or no public accountability. Publish general purpose financial statements to external users. The integrity of SAK-ETAP financial reports is influenced by several factors, including financial staff's understanding of accounting based on the Financial Accounting Standards for Entities Without Public Accountability (SAK-ETAP). The information presented in cooperative financial reports based on SAK-ETAP will be easier to understand, relevant, reliable and have high comparability. Users can be misled if cooperative financial reports are not prepared according to applicable standards and principles. DSAK-IAI ratified SAK-ETAP on May 19 2009. On January 1 2011, SAK-ETAP was implemented for the preparation of financial reports. SAK includes simplifications so that SAK is easier to use.

The use of IT is another aspect that can affect the accuracy of financial reporting. Definition of information technology according to Putra et al., (2020) "Information technology (IT) may be defined as the technology that is used to acquire, store, organize, process, and disseminate processed data which can be used in specified applications. Information is processed data that improves our knowledge, enabling us to take decisions and initiate actions." Understanding accounting can be interpreted as basic knowledge regarding the field of accounting science which is

pursued through formal academic education. Efforts to be able to present and provide financial reports properly and correctly require an understanding of the field of accounting. In accordance with the principles and standards for preparing financial reports implemented in PP No. 71 of 2010 concerning Government Accounting Standards, an accountant is someone who has a strong understanding of the ins and outs of the accounting process from the beginning to the form of financial reports (Rini & Damiani, 2017).

Financial reports can be made better by using an accounting information system, where accounting knowledge is required as a prerequisite. Utilization of information technology to handle data more quickly, effectively and efficiently is a necessity to achieve accountability and transparency in financial management. In simple terms, a system is a collection of related processes that have been organized according to a holistic plan to carry out the main activities or functions of an organization as a direct result of a process that aims to provide information to help make decisions on the management of company operations from day to day and provide appropriate information for parties outside the company (Taufiqurrohman et al., 2021).

Human resources that carry out a series of processes and standards in accounting are something that cannot be separated from the accounting and financial reporting system. The lack of competent human resources in accounting, relatively old human resources, varying levels of education, lack of accounting training for staff, and the lack of accounting background for staff are some of the accounting problems in the Indonesian government (Husnan & Pudjiastuti, 2004). Although there is no universally accepted definition of financial report quality, there are two main points of view that can be used to examine this topic. The first school of thought argues that a company's profits are directly proportional to the accuracy of its financial reports. If current year profits are a good predictor of the company's future profits or are closely correlated with future operational cash flows, then the information contained in the financial statements is considered to be of high quality (Herawati et al., 2020). This perspective suggests that the quality of financial reporting should be prioritized when assessing the quality of a company's reporting.

In this research, the author uses previous research which is used as a reference to enrich the theory to be studied. Previous research conducted by Puteri et al., (2019) examined the BNI Situbondo branch. The findings of this study show that understanding accounting does not significantly influence the quality of financial reports. Meanwhile, the use of accounting information systems significantly influences the quality of financial reports. A different opinion from the research results of Erawati & Abdulhadi, (2018) who examined the Yogyakarta City Regional Government, the study findings show that understanding the regional financial accounting system and the use of information technology positively influences the quality of financial reports, while HR capacity does not significantly influence quality of financial reports.

The aim of this research is to find out and analyze the influence of understanding accounting and the use of accounting information systems on the quality of financial reports of cooperative businesses in the DKI Jakarta Region.

2. RESEARCH METHOD

This research was carried out with an empirical study to obtain quantitative data regarding the influence of understanding accounting and the use of accounting information systems on report quality. The population used in this research is cooperatives in the DKI Jakarta area, totaling 3,447 cooperatives. The sampling technique in this research used a purposive sampling method. Purposive sampling is a technique for sampling data sources with certain considerations or criteria. In this research, the samples are cooperatives that meet certain criteria. The criteria used as research samples are cooperatives that are certified NIK (Cooperative Identification Number) in 2023 which can be accessed via the website <https://data.jakarta.go.id/>.

Table 2. Purposive Sampling Results

Sample Criteria	Amount
Number of active cooperatives in DKI Jakarta in 2022	3.447
Cooperatives that are not NIK certified (No Parent Cooperative) in 2019	-3.350
Total Sample	97

The sample collection technique in this research used a questionnaire. The questionnaire used as an instrument in this research is a questionnaire that is selected by asking questions to respondents using a questionnaire guide, in order to obtain an instrument that meets the predetermined criteria, where the selected criteria are administrators, managers and financial staff of the cooperative. This research uses quantitative methods with multiple linear regression analysis.

3. RESULTS AND DISCUSSIONS

Results

In this research, multiple linear regression analysis was carried out to determine the effect of understanding accounting and the use of accounting information systems on the quality of financial reports in cooperative businesses in the DKI Jakarta area. Multiple linear regression analysis includes the determinant coefficient test, simultaneous F test, partial T test, and interpretation of the regression model.

a. Determinant Coefficient

Determinant coefficient analysis aims to determine the magnitude of the influence of the independent variable on the dependent variable. The determinant coefficient value is on a scale of 0.00 – 1.00, which shows that the higher the determinant coefficient value, the better the research carried out.

Table 3. Determinant Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.426	0.181	0.164	2.32984	1.859

Based on the results of the coefficient of determination test which is 0.181, it can be concluded that the variables understanding accounting and utilizing accounting information systems are able to explain and influence the quality of financial reports by 18.1%. The remaining 81.9% is influenced by other variables outside the research.

b. Simultaneous F Test

In this sub-chapter, a simultaneous F test is carried out which aims to determine the influence of the independent variables together on the dependent variable. If the significance value is less than 0.05, the decision H0 will be rejected and the conclusion is that together the independent variables have an effect on the dependent variable.

Table 4. Simultaneous F Test

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1.391	2	.695	10.415	0.000
Residual	6.356	94	.068		
Total	7.747	96			

Based on the results of the F test above, it can be seen that the independent variables in this research, namely understanding accounting and the use of accounting information systems, together have a significant effect on the quality of financial reports in cooperative businesses in the DKI Jakarta area. This is because in the table above, the significance F value is 0.000, which means it is smaller than 0.05, so the independent variable has a significant effect on the dependent variable.

c. Partial t Test and Regression Model

Based on the results of the F test above, it can be seen that the independent variables in this research, namely understanding accounting and the use of accounting information systems, together have a significant effect on the quality of financial reports in cooperative businesses in the DKI Jakarta area. This is because in the table above, the significance F value is 0.000, which means it is smaller than 0.05, so the independent variable has a significant effect on the dependent variable.

Table 5. Partial t Test

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	1.650	.457			3.591	0.001
Pemahaman Akuntansi	0.241	.109	.230		2.233	0.028
Sistem Informasi	0.239	.093	.268		2.564	0.012

The results of the partial T test analysis show that the accounting understanding variable has a significance value of 0.028, which means less than 0.05. So it was concluded that understanding accounting has a significant effect on the quality of financial reports in cooperative businesses in the DKI Jakarta area.

The table above also shows that the variable utilization of accounting information systems has a significance value of 0.012, which means less than 0.05. So it was concluded that the use of accounting information systems has a significant effect on the quality of financial reports in cooperative businesses in the DKI Jakarta area.

Based on the table above, the multiple linear regression model is also known as follows.

$$Y = 1.650 + 0.241 X_1 + 0.239 X_2$$

Or

$$\text{Quality of Financial Reports} = 1.650 + 0.241 \text{ Understanding of Accounting} + 0.239 \text{ Utilization of Information Systems}$$

A constant of 1.650 explains that if understanding accounting and utilizing information systems is zero, then the value of financial report quality is 1.650.

The accounting understanding coefficient value is 0.241, showing that the accounting understanding variable has a positive influence on the quality of financial reports because it has a positive coefficient value. If the accounting understanding variable increases by 1 unit, it will increase the financial report quality value by 0.241 units.

The coefficient value for information system utilization is 0.239, showing that the information system utilization variable has a positive influence on the quality of financial reports because it has a positive coefficient value. If information system utilization increases by 1 unit, it will increase the value of the financial report quality variable by 0.239 times, and vice versa.

Discussion

a. The Influence of Accounting Understanding on the Quality of Financial Reports in Cooperative Businesses in the DKI Jakarta Region

In the partial T test, the significance value of the accounting understanding variable is 0.028, which means it is smaller than the probability value of 0.05 (Sig. < 0.05). Therefore, H1: Accounting understanding has a significant positive effect on the quality of financial reports in cooperative businesses in the DKI Jakarta Region, is accepted. The results of this research are in line with the statement that understanding accounting, utilization of accounting information systems, and internal control systems partially and simultaneously influence the quality of financial reports (Landang et al., 2021). Other results are in line with research results (Yuliani et al., 2019) which state that employees' understanding of accounting influences the quality of financial reports.

Good understanding of accounting is very important in ensuring the quality of financial reports. This is because financial reports are prepared based on accounting principles established by applicable accounting standards, and require appropriate and consistent judgment in the calculation and presentation of financial information. If someone does not have a good understanding of accounting principles, then they may not be able to recognize or follow accounting rules and

guidelines correctly. This can lead to errors in calculations or presentation of financial information, which can ultimately affect the quality of financial reports.

b. The Effect of Using Accounting Information Systems on the Quality of Financial Reports in Cooperative Businesses in the DKI Jakarta Region

The results of the partial T test analysis of the significance value of the accounting information system utilization variable show a significance value of 0.012, which means it is smaller than the probability value of 0.05 (Sig. < 0.05). Therefore, H2: The use of accounting information systems has a significant positive effect on the quality of financial reports in cooperative businesses in the DKI Jakarta Region, is accepted. The research results of Riyadi, (2020) show that the use of accounting information systems has an effect on the quality of financial reports. This is also in line with the statement by (Putra et al., 2020) that to ensure a fast and accurate information delivery process, the use of information technology can produce good financial reports.

Accounting information system utilization factors can influence the quality of financial reports. Utilization of accounting information systems will be useful for supporting reliable decisions and achieving effectiveness in conveying information. Information is very important for the decision making process. However, in the process, the information must be of high quality and have value. The entire company business environment really needs information from managers, employees and accountants. The accuracy and efficiency of information will be very beneficial for the company and outside the company. The better the quality of the information, the more precise the decisions taken will be. If the information produced is not of high quality, it will have a negative effect on information system user satisfaction (Riyadi, W. 2020).

c. Simultaneous Influence of Accounting Understanding and Utilization of Accounting Information Systems on the Quality of Financial Reports in Cooperative Businesses in the DKI Jakarta Region

Based on the data from this research, an F significance value of 0.000 was obtained, which means it is smaller than 0.05. Therefore, H3: Understanding accounting and utilizing accounting information systems simultaneously has a significant positive effect on the quality of financial reports in cooperative businesses in the DKI Jakarta Region. Research that is in line with this research states that understanding accounting, utilization of accounting information systems, and internal control systems partially and simultaneously influence the quality of financial reports (Landang et al., 2021). Utilization of information systems and understanding of accounting simultaneously influence the quality of financial reports which are very important for the running of a company's financial management (Riyadi, 2020).

4. CONCLUSION

This research aims to determine the influence of understanding accounting and the use of accounting information systems on the quality of financial reports (Survey of Cooperative Businesses in the DKI Jakarta Region). Based on the research results that have been discussed, the conclusions in this research are: Understanding accounting has a significant positive effect on the quality of financial reports in cooperative businesses in the DKI Jakarta area., accepted. The use of accounting information systems has a significant positive effect on the quality of financial reports in cooperative businesses in the DKI Jakarta Region, accepted. Understanding accounting and utilizing accounting information systems simultaneously has a significant positive effect on the quality of financial reports in cooperative businesses in the DKI Jakarta Region.

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