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## HUMAN RESOURCES COMPETENCE MODEL AND INTERNAL CONTROL SYSTEM IN VILLAGE GOVERNANCE, REPORT QUALITY AND ACCOUNTABILITY

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### ABSTRACT

*The purpose of this study was to determine the effect of human resource competence, internal control systems on the quality of village government financial reports, and the influence of human resource competencies, internal control systems on accountability and the quality of village government financial reports affect accountability. This research model will be analyzed using the Partial Least Square (PLS) method and assisted with Smart PLS 3.0 software. PLS is an alternative method of Structural Equation Modeling (SEM). The population in this study is a village in the province of South Kalimantan, Tabalong Regency 16 Villages to be used as populations in research and samples in research as many as 16 x 3 apparatus or Deesa apparatus, totaling 48 apparatus. The results of the study show that Human Resource Competence influences the Quality of Village Government Financial Reports. The internal control system influences the quality of village government financial reports. Human Resource Competence influences Accountability. The internal control system influences accountability, and the quality of village government financial reports affects accountability.*

**Keywords:** *Competence of Human Resources, Internal control system, Quality of Village Government Financial Reports, Accountability*

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### INTRODUCTION

Rural economic growth is often considered slow compared to the urban economy. To improve this, one of the efforts that can be made is to encourage the movement of the village economy through village entrepreneurship, where village entrepreneurship is a strategy in the development and growth of welfare. This village entrepreneurship can be accommodated in Village-Owned Enterprises or what is referred to by other names, hereinafter referred to as BUMDes which are developed by the government and village communities. BUMDes is an economic pillar in the village that functions as a social and commercial institution. This is

increasingly being supported by the government with the issuance of Government Regulation Number 47 of 2015 which states that villages have the authority to regulate resources and the direction of development. So that it opens opportunities for villages to be autonomous in managing both government and economic resources. Village government financial management is inseparable from the competence of human resources which is generally interpreted as a form of obligation to account for the success or failure of the implementation of the organization in achieving the targets that have been implemented for previous periods which are carried out periodically (Mustofa, 2012).

Factors that affect the quality of village fund financial reports are the competence of human resources, namely village officials, internal control systems and community participation (Mada, Kalangi, & Gamaliel, 2017). In addition, the quality of village fund reports is influenced by the internal control system (Yudianto & Sugiarti, 2017). According to Setiana (2017) The quality of village fund reports is influenced by the understanding of village officials. According to Husna & Abdullah (2016) the accountability of village fund reports is influenced by the competence of human resources and the use of information technology. According to Fauzani, Purwati, & Sudjono (2018) The quality of village fund reports is influenced by the presentation of accountability reports and village fund reports. According to Supadmi & Suputra (2018) The quality of village fund reports is influenced by the capacity of human resources.

According to Spencer (1939) in Mada et al. (2017) explained that human resource competence is part of a deep and inherent personality, as well as predictable behavior in various circumstances and work tasks. In realizing accountability the management of village funds must be supported by adequate resources so that the objectives to be achieved can be realized. Without individuals who have expertise or competence, it is impossible for an organization to achieve its goals. Resources as a means to achieve goals or the ability to take advantage of existing opportunities (Hilman, 2016). Human resource competencies are employees who are ready, capable and alert in achieving organizational goals Wonar & Pangayow (2018).

Human resource competence is a factor that can affect the quality of human resources. To improve human resources competence is needed (Frink and Klimoski, 2015: 14). The results of research by Mada et al. (2017) concerning the human resource competency variable stated that there was a positive and significant influence between the human resource competency factor on the accountability of village fund reports in Gorontalo District. This research is reinforced by research conducted by Yudianto & Sugiarti (2017) which states that the human resource competence factor influences the accountability of village fund reports in Karawang Regency. In line with this research, Supadmi & Suputra (2018) states that human resource competence has a positive and significant effect on the accountability of village fund reports in the city of Denpasar. However the research is contrary to the results of research conducted by Setiana (2017) which states that the human resource competence variable has no effect on the

accountability of village fund reports by 44.8% or being the smallest in all the variables studied.

Variable other than human resource competence as a factor that can affect the quality of village fund reports is internal control. Internal control is a system/procedure that exists within an organization to maintain the process of operating activities in accordance with established policies in order to achieve the goals of the organization itself. According to Krismiaji (2015: 218) states that internal control is an organizational plan and methods used to maintain or protect assets and produce accurate and reliable information. In PP No. 60 of 2008.

Evidenced by the results of previous research conducted by Dewi, Ramadhanti, & Wiratno (2014) stating that internal control has a positive effect on the quality of village fund reports. This is in line with Yudianto & Sugiarti's research (2017) which states that the internal control system variable has a positive effect on accountability for the quality of village fund reports in Karawang Regency. However, this research contradicts the results of Ina & Bambang's research (2017) which states that internal control has no effect on the quality of village fund reports.

This research is also strengthened by the research of Wonar et al. (2018) states that internal control has no effect on the quality of village fund reports. Mada et al (2017) state that human resource competence has a positive and significant effect on the quality of village fund financial reports. This research is also reinforced by Medianti's research (2018) which states that accountability affects the quality of village fund financial reports. Meanwhile, Wonar et al. (2018) stated that internal control did not affect the quality of village fund reports.

Based on the phenomenon in the research gap from several research findings that have been described, it appears that there are differences in research results between human resource competencies, internal control systems, Village Financial Oversight, on the Quality of Village Government Financial reports. Therefore the authors are interested in conducting this research, so based on the background stated above, the problems in this study can be formulated as follows:

1. Does the Competence of Human Resources and the Internal Control System affect the Quality of Village Government Financial Reports?
2. Does the Competence of Human Resources and the Internal Control System Affect Village Government Accountability?
3. Does the Quality of Financial Statements affect Accountability in the Village government?

## **LITERATURE REVIEW**

### **Human Resource Management**

Etymologically, the word management comes from the Old French management, which means the art of implementing and managing. In English, the word management comes from the word to manage which means to manage, guide and supervise. If taken in Italian, it comes from the word maneggiare which means controlling, especially controlling horses. Meanwhile, in Latin, the word

management comes from the word manus which means hand and agere which means to do, when combined it means to handle. In terms of terminology, experts do not have the same formula regarding the definition of management. Stoner, as quoted by Handoko, 2012, defines management as the process of planning, organizing, directing, and supervising the efforts of members of the organization and the use of other organizational resources in order to achieve organizational goals that have been set.

### **Human Resource Competency**

Human Resources can be defined as all human beings involved in an organization in seeking the realization of organizational goals. According to Buchori (2016: 5) Human Resources are formed from three basic words, namely Resources, Resources and Humans. Of the three, there is not a single word that is difficult to understand, meaning simply that it can be defined as a human-sourced power. This power can also be called ability, power, energy, or strength. Although the term human resources has been variously defined by educational and psychology experts According to Suit (2016: 35) said that what is meant by Human Resources is the power of human thought and work that is still stored within him which is fostered and explored and developed to be utilized as well as possible for the welfare of human life. According to Gunawan A. Wardhana quoted by AS Munandar (2011: 9) states that Human Resources include all energy, skills, human knowledge talents that are used potentially can or must be used for production purposes and useful services. According to Nawawi in Adventana (2014) there are three definitions of human resources, namely:

- a. Human resources are people who work in an organization's environment (also called personnel, workforce, workers, or employees).
- b. Human resources are potentials that are assets and function as capital (non-material/non-financial) in a business organization, which can turn into real potential physically and non-physically in realizing the existence of the organization.

### **Human Resource Competency Indicator**

According to Law Number 7 Year 2013 concerning Guidelines for Preparation of Civil Servant Managerial Competency Standards, competencies are characteristics and work abilities that include aspects of knowledge, skills and attitudes according to duties and/or position functions. In line with Kamariah's opinion (2012) that human resource capacity can be measured through knowledge, skills and behavior. These three things must be owned and considered by everyone to support success in carrying out tasks. Based on some of the definitions above, researchers used three indicators of Human Resource Competence, including:

- a. Knowledge

Knowledge is information that a person has for a particular field. Knowledge is a complex competency. An employee who has good knowledge skills will be able to improve the performance and quality of the financial reports that

will be produced.

b. Skills

Skill is a knowledge that is outwardly present in humans, so it needs to be studied more deeply to develop the skills they have. Skills can be developed through training and experience by carrying out several tasks.

c. Behavior

Behavior is an action or activity of a person in carrying out their duties, for example in the field of accounting a person works by prioritizing a code of ethics as an accountant.

### **Internal Control System**

The system is a network of procedures that are interconnected, collected together to carry out an activity or to complete a certain goal. In defining Internal Control we can find many references, including: "Internal control is a situation in which there is an accounting system that sufficient to enable the company accountant to provide financial information for every level of management, owners or creditor shareholders and other users of financial statements (stakeholders), which are used as the basis for making economic decisions. "Internal control is a plan, method, procedure and policy designed by management to provide adequate assurance for the achievement of operational efficiency and effectiveness, reliability of financial reporting,

### **Principles of Internal Control**

To get a good internal control, according to Bambang Hartadu, 2013, the principles that exist in an internal control in a company must be considered:

1. Qualified and trustworthy employees.
2. Separation of powers.
3. Supervision.
4. Internal Control Components

### **Control Environment (Control Environment)**

The factors that shape the control environment include:

1. Integrity and ethical values Integrity and ethical values
2. Commitment to competition Management employs employees based on skills.
3. Participation of the board of commissioners and the audit committee of a company that has gone public requires the transfer of authority and all activities for the general meeting of shareholders to the board of commissioners.
4. Management philosophy and operating style Management through the activities it carries out gives a clear signal to employees about the importance of control.
5. Organizational structure The organizational structure of an entity defines the existing lines of responsibility and authority. Organizational structure
6. Determination of authority and responsibility.

7. Policies and practices in the field of human resources..

### **Determination of Management Risk (Risk Assessment Management)**

Risk assessment is the entity's identification and analysis of risks relevant to achieving its objectives, forming a basis for determining how risks should be managed.

### **Control Activity**

Control activities are the policies and procedures that help ensure that management directives are carried out. These activities help ensure that the necessary actions are taken to mitigate risks in achieving the entity's objectives.  
Accountability

### **Accountability definition**

Sjahrudin Rasul (2017) states that accountability is defined narrowly as the ability to answer to a higher authority for the actions of "a person" or "a group of people" towards society in general or within an organization. In the context of government institutions, the "someone" is the head of a government agency as the recipient of the mandate who must provide accountability for the implementation of the mandate to the public or the public as the giver of the mandate. Ledvina V. Carino (2012) says that accountability is an evolution of activities carried out by an officer who is either still on the path of his authority or has left far from his responsibility and authority. Everyone must really realize that his every action will not only affect himself. However, he must realize that his actions will also have no small impact on other people. Thus, in every behavior a government official must pay attention to the environment.

### **Accountability forms**

According to Sirajudin H Saleh and colleagues, accountability is actually a side of the attitude and character of human life which includes: internal and external accountability. From the internal side of a person, accountability is the person's responsibility to God. Such accountability includes self-responsibility regarding everything he does that is only known and understood by himself. Therefore, this internal accountability is also known as spiritual accountability. Ledivina V. Carino said that by being aware of this spiritual accountability, the notion of whether someone is accountable or not is not only because he is not sensitive to his environment. However, further than that, there was a feeling of shame over the color of his skin, not proud to be part of a nation, less nationalist, and so on. Accountability on this one is very difficult to measure because there are no indicators that are clear and accepted by everyone and there is no one who checks, evaluates, and monitors both from the process stage to the accountability stage of the activity itself. All acts of spiritual accountability are based on one's relationship with God. External accountability both within the organization and

outside the organization is the most talked about in the context of accountability. External accountability consists of: Accountability on this one is very difficult to measure because there are no indicators that are clear and accepted by everyone and there is no one who checks, evaluates, and monitors both from the process stage to the accountability stage of the activity itself. All acts of spiritual accountability are based on one's relationship with God. External accountability both within the organization and outside the organization is the most talked about in the context of accountability. External accountability consists of: Accountability on this one is very difficult to measure because there are no indicators that are clear and accepted by everyone and there is no one who checks, evaluates, and monitors both from the process stage to the accountability stage of the activity itself. All acts of spiritual accountability are based on one's relationship with God. External accountability both within the organization and outside the organization is the most talked about in the context of accountability. External accountability consists of: External accountability both within the organization and outside the organization is the most widely discussed in the context of accountability. External accountability consists of: External accountability both within the organization and outside the organization is the most widely discussed in the context of accountability. External accountability consists of:

- a. External Accountability for Public Services in Own Organizations. In this accountability, each level in the organizational hierarchy is required to be accountable to their superiors and to those who control their work. For this reason, it requires commitment from all officers to meet the criteria of knowledge and expertise in carrying out their duties in accordance with that position.
- b. External Accountability for Individuals and Public Service Organizations outside of Own Organizations. This accountability implies the ability to answer any questions related to performance achievements in carrying out duties and authorities. For this reason, in addition to the need for knowledge and expertise as previously mentioned, commitment is also needed to implement the policy.

Various Elements of Accountability according to Walters, Aydelotte, Miller, (2015).

- a. There is power to get pre-approval before a decision is made. This relates to the authority to regulate the behavior of bureaucrats by subjecting them to certain procedural requirements and requiring authorization before certain steps are taken. Typical accountability like this traditionally associated with central government agencies/agencies (although each department/agency may develop its own rules or standards).
- b. Role accountability, which refers to the ability of an official to carry out his key role, namely the various tasks that must be carried out as the main obligation. This is a type of accountability that is directly related to results as championed by the new public management paradigm. This may depend on the formal performance targets associated with the new public management movement.

- c. Retrospective review refers to the analysis of the operation of a department after an activity is carried out by an external body such as an audit office, parliamentary committee, ombudsman or judiciary. It can also include agencies outside the state such as the mass media and pressure groups.

### **Quality of Village Financial Reports**

According to Munawir (2010: 31), financial reports are a very important tool for obtaining information regarding the financial position of the results achieved by the organization concerned. So financial reports can clearly show the financial condition of the company/agency. According to Harahap (2017) financial reports describe the financial condition and results of operations of a company within a certain period of time. Thus, the good or bad financial condition of an organization can be seen through the organization's financial statements. According to Ferdy Van Beets., Geert Braam, and Suzanne Boelens (2019) the definition of quality of financial reports is as follows:

In addition, in the article by Ferdy Van Beets, et. al (2019) also stated that they developed a comprehensive measurement tool to assess the quality of financial reporting in terms of fundamental (relevant) qualitative characteristics and enhancing qualitative characteristics (understandable, reliable and comparable), as defined in the Conceptual Framework for financial reporting. from FASB (2018). Financial Report Quality Indicators

Indicators of the quality of local government financial reports refer to the qualitative characteristics of financial reports according to 19 Government Regulation Number 71 of 2010 concerning Government Accounting Standards, which include, A financial report can be said to be relevant if:

1. Reliable

The reliability of an information depends on the ability of the information to present fairly the circumstances or events that are presented with the actual conditions that occur. The reliability of information will differ, depending on the level of the user, the level of understanding there are rules and standards used to present information. Reliable information includes the following elements:

2. Can be compared

An information contained in the financial statements will be useful if it can be compared with the financial statements of the previous period. The comparison is done both internally and externally. Internal comparisons can be made if the entities being compared apply the same accounting policies from year to year, while external comparisons are made if the entities being compared apply the same accounting policies. If entity

the government implements accounting policies that are better than the current accounting policies, then these changes are disclosed in the period the changes occur.

3. Understandable

Understandable means that the information presented in the financial

statements can be understood by users and is stated in the form and terms that are adapted to it. limits of user understanding. Based on this, the user is assumed to have adequate knowledge of activities within the reporting entity's operating environment, as well as the user's willingness to study the information in question.

### **STUDY PREVIOUSLY**

1. **Zuliarti (2018)**, Conducting research on the effect of Human Resource Capacity, Utilization of Information Technology, and Accounting Internal Control on the Value of Reporting Information.
2. **Ekasari Sugiarti, Ivan Yudianto (2017)** Factor Analysis Resource Competency Dependent variable : Competency accountability human Resources influential Padjadjaran University.
3. **Emilda Ihsanti, (2018)** examines the influence of Human Resource Competence and the Application of Regional Financial Accounting Systems on the Quality of Regional Financial Reports
4. **Indriasari and Naharyanto (2018)**, conducted research on the influence of Human Resource Capacity, Utilization of Information Technology, and Accounting Internal Control on the Information Value of Local Government Financial Reporting in the Government of Palembang City and Ogan Ilir Regency.
5. **Siti Soimah (2019)** examines the Effect of Human Resource Capacity, Utilization of Information Technology and the Government's Internal Control System on the Quality of Financial Reports for the Regional Government of North Bengkulu Regency.
6. **NL Supadmi, DG Dharma Suputra (2018)** The Influence of Human Resource Capacity, Clarity of Budget Targets and Financial Reporting Systems on the Accountability of Village Fund Management in Denpasar City The dependent variable.
7. **Arif Widyatama, Lola Novita, and Diarespati (2017)**, The influence of competence and internal control systems on village government accountability in managing village fund allocations (ADD).

### **Conceptual framework**

Every scientific research and writing activity needs to be based on a conceptual framework so that research and research report writing can be arranged systematically. Singarimbun (2001:45) states that the concept is a generalization of a certain group of phenomena, so that it can be used to describe the same phenomena. In fact, concepts can have different levels of generalization, the closer the concept is to reality, the easier it will be to measure and interpret.

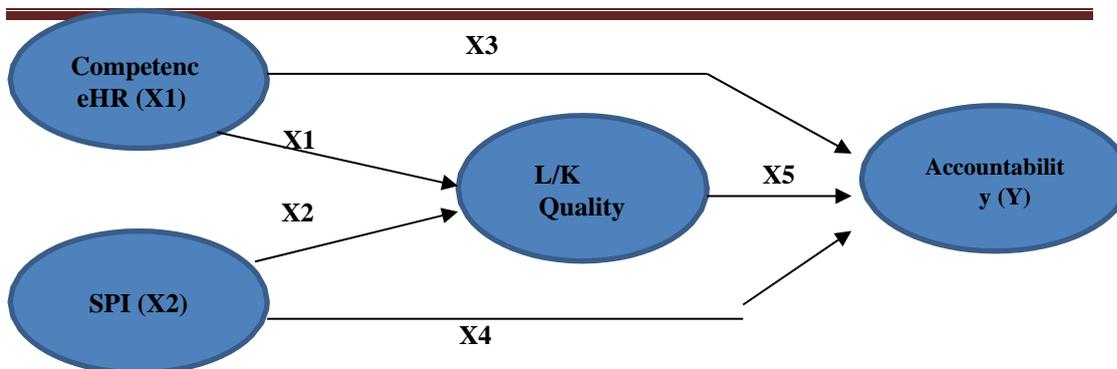


Image : Conceptual Framework

### Hypothesis

From the conceptual framework image above, the researcher formulates the following hypothesis:

1. Competence Human Resources influence on Quality Report Village Government Finance.
2. The internal control system influences the quality of village government financial reports.
3. Human Resource Competence influences Accountability.
4. Internal control system effect on Accountability
5. The quality of Village Government Financial Reports affects Accountability.

### RESEARCH METHODS

#### Design

This type of research is quantitative causality research. The causality approach is examining the causal relationship between two or more variables. Causal research explains the effect of changing the variation in the value of a variable on the variation in the value of another variable. In causal research, the independent variable is the causal variable and the dependent variable is the effect variable (Silalahi, 2019). This study explains the causal relationship between variables through hypothesis testing, namely testing hypotheses based on theories that have been formulated previously then the data that has been obtained is calculated through a quantitative approach (Sugiyono, 2013: 56). This research model will be analyzed using the Partial Least Square (PLS) method and assisted with Smart PLS 3.0 software.

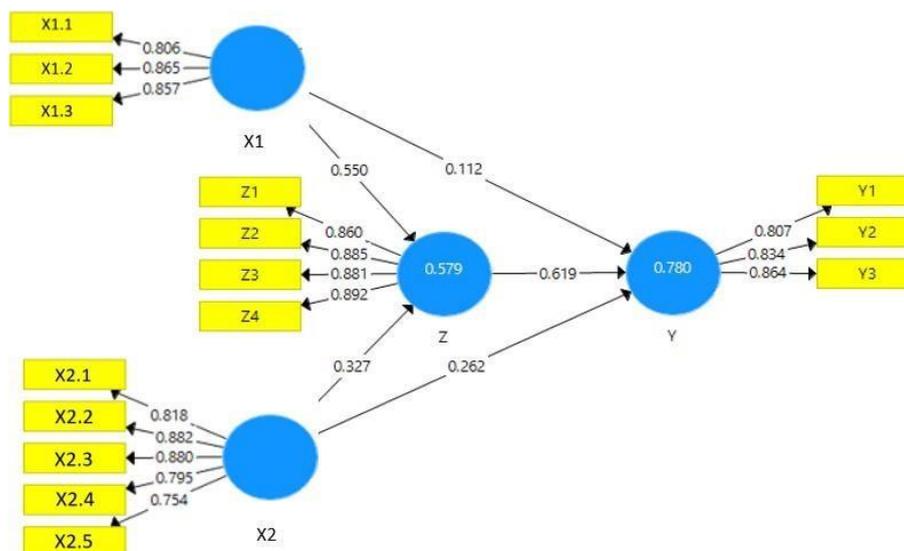
#### Scope of problem

To facilitate data management, an assumption was made on the use of data collection in villages in South Kalimantan Province, Tabalong Regency, which totaled 16 villages to be used as populations in research and samples in research as many as 16 x 3 village apparatus, 48 samples.

### ANALYSIS AND DISCUSSION

The figure shows the results of the loading factor calculation and the results obtained show that the loading factor value is above 0.70, so that the indicator

meets the convergent validity requirements and has the required validity based on the rule of thumb used in accordance with what has been tested previously.



### Hypothesis test

Hypothesis testing is carried out based on the results of testing the Inner Model (structural model) which includes the output r-square, parameter coefficients and t-statistics.

#### Direct Effect (Direct Effect)

The hypothesis will be accepted if the t-statistic value is  $> 1.96$  or the p-value significance level is  $< 0.05$  (5%) with a positive coefficient.

1. It is known that the direct effect of HR competence on the quality of village government financial reports  $X1 \rightarrow Y1$  Statistics  $5.972 < 1.96$  besides that it has a value of 0.000 which is less than 0.05, thus HR competence directly affects the quality of village government financial reports. Then the hypothesis in this study was accepted
2. It is known that the direct effect of the internal control system on the quality of village government financial reports  $X2 \rightarrow Y1$  Statistics  $4.449 < 1.96$  besides that it has a value of 0.000 less than 0.05 thus the internal control system has an effect. Directly on the quality of village government financial reports. Then the hypothesis in this study is accepted.
3. Known direct influence CompetenceHR on Accountability  $X1 \rightarrow Z1$  Statistics  $5.909 < 1.96$  besides that it has a value of 0.000 which is less than 0.05 thus HR Competence has a direct effect on accountability. Then the hypothesis in this study was accepted.
4. It is known that the direct effect of the internal control system on accountability  $X2 \rightarrow Z1$  Statistics  $2.652 < 1.96$  besides that it has a value of 0.000 which is less than 0.05, thus the control system has a direct effect

on accountability. Then the hypothesis in this study was accepted.

5. It is known that the direct effect of the quality of village government financial reports on accountability  $Z \rightarrow Y$  T Statistics  $5.921 < 1.96$  besides that it has a value of 0.000 which is less than 0.05, thus the quality of village government financial reports directly affects accountability. So the hypothesis in this study is accepted .

#### **Indirect Effect (Indirect Effect)**

The role of intervening can also be seen from the significance of the indirect effect, the following is the value of the indirect effect of bootstrapping results.

1. The indirect effect of HR competence on the quality of village government financial reports through accountability has a P-Value of 0.000, less than 0.05, which means that there is mediation between HR competence and quality.  
village government financial reports through accountability. Thus the hypothesis in this study is accepted
2. The indirect effect of the internal control system on the quality of village government financial reports through accountability has a P-Value of 0.000 less than 0.05, which means that there is mediation between HR competencies on the quality of village government financial reports through accountability. Thus the hypothesis in this study is accepted.

## **FINDINGS**

### *Human Resource Competence influences the Quality of Village Government Financial Reports*

An organization needs human resources as executors or drivers to achieve organizational goals. Human resources are an important aspect in an organization. If an organization has competent human resources, then the organization can easily achieve its goals. Village Financial Management (PTPKD) as steward (manager) of village finance as a human resource competency that can be trusted and acts in accordance with the public interest by carrying out its duties and functions properly for the welfare of society. So a village government that has high competence then the accountability of the accountability report is also high.

### *The Internal Control System influences the Quality of Village Government Financial Reports*

Based on the results of the respondents' answers, it shows that village government is still lacking in terms of the process of selecting and placing human resources (village officials) who have competence in accounting for the process of preparing village government financial reports, although perhaps the government, in this case the Office of Community and Village Empowerment, has provide training, but village officials will still have difficulty understanding the training material due to the lack of knowledge base from accounting education. Therefore an internal control system is needed in managing human resources so

that they are placed in accordance with their fields

*Human Resource Competence influences Accountability*

Accountability in village government is very important because it is a form of media accountability for village government as an entity that manages village funds. Accountable village financial management is financial management that can be accounted for starting from planning, implementation, administration, to village financial reports. The realization of accountability is the main goal of public sector reform. For the sake of realizing an accountable village fund report, many aspects or factors influence it, including the competence of human resources and community participation. The stewardship theory explains the existence of Village Heads and Village Financial Management Technical Executors (PTPKD) consisting of the Village Secretary, Village Treasurer, and the Head of Section as the steward (manager) of village finances as a competent human resource who can be trusted and acts in accordance with the public interest by carrying out his duties and functions properly for the welfare of the community. The village government after carrying out its duties must make an accountability report.

The accountability report must be accountable and transparent as proof that the village government has carried out its duties and functions (Arifiyadi, 2018). Accountable and transparent financial reports can be realized with controls in the preparation of these financial reports. The speed and accuracy of work will affect the accountability report given to the community as a principal (Mada et al., 2017).

*The Internal Control System influences Accountability*

According to Nurillah (2014) The internal control system consists of policies and procedures used to achieve goals and guarantee or provide reliable financial information, as well as ensure compliance with applicable laws and regulations. If an organization has a good internal control system, then the organization will not experience chaos in carrying out its duties. The function of the internal control system can help human resources to know the limitations and rights at work as well as information technology that can be used to help with the work. According to Rahrjo (2017) Stewardship Theory assumes that organizational interests can be maximized by dividing authority, rights and obligations between supervisors, executives and managers, so that everyone in the organization tends to be motivated to act in the interests of the organization compared to their own interests. The results of research conducted by Dewi, Ramadhanti, & Wiratno (2014) state that internal control has a positive effect on the accountability of village fund reports. This is in line with Yudianto & Sugiarti's research (2017) which states that the internal control system variable has a positive effect on the accountability of village fund reports in Pacitan district.

*The Quality of Village Government Financial Reports has an effect on Accountability*

The results of this study indicate that Accountability will affect the Quality

of Village Government Financial Reports, because the sense of responsibility or accountability that exists within an employee will make him try to complete his obligations as optimally as possible and be accountable for all actions and decisions taken to his environment. "People with high accountability devote greater effort (thinking power) than people with low accountability when completing work" Mardisar and Sari (Cloyd; 2017). The results of this study support the results of previous studies conducted by Rachmawaty (2015) and Aswadi (2014) which empirically prove that accountability has a positive and significant effect on the quality of village government financial reports.

*The Quality of Village Government Financial Reports Mediates the Effect of Human Resource Competence on Accountability*

Village financial management is inseparable from accountability which is generally interpreted as a form of obligation to be accountable for the success or failure of the organization's implementation in achieving the targets that have been implemented for previous periods which are carried out periodically (Mustofa, 2012). Accountability in village government is very important because it is a form of media accountability for village government as an entity that manages village funds. Accountable village government financial management is financial management that can be accounted for starting from planning, implementation, administration, to village financial reports.

*The Quality of Village Government Financial Reports Mediates the Effect of the Internal Control System on Accountability*

According to Nurillah (2014) the internal control system consists of policies and procedures used in achieving goals and guaranteeing or providing reliable financial information, as well as ensuring compliance with laws and regulations apply. If an organization has a good internal control system, then the organization will not experience chaos in carrying out its duties. The function of the internal control system can help human resources to know the limitations and rights at work as well as information technology that can be used to help with this work.

The village government can direct all of its competencies and expertise in making internal controls effective in order to be able to produce quality financial information reports as a form of good service to the community. The results of research conducted by Dewi, Ramadhanti, & Wiratno (2014) state that internal control has a positive effect on the accountability of village fund reports. This is in line with Yudianto & Sugiarti's research (2017) which states that the internal control system variables have a positive effect on the accountability of village fund reports.

**Conclusion**

Based on the results of the research and discussion that have been described, it can be concluded that the Competence of Human Resources and the Internal Control System affect the Quality of Village Government Financial Reports.

Human Resource Competency and Internal Control Systems have an effect on Village Accountability. as well as the Quality of Village Government Financial Reports affects the Accountability of Village reports. Seeing from the results of the research confirms that there is influence for each variable, it is necessary to increase the accountability of village fund reports made by village officials through workshops, training and knowledge of the development of regulations related to the government and maintaining the quality of internal control which includes control environment, risk assessment, control activities, communication information, and monitoring. Especially for further research, it is also necessary to pay attention to the variable community participation because if seen as a whole it has a role that cannot be ruled out because the results of village fund reports and accountability of village fund reports cannot be separated from community interference and supervision. So that village officials and the community must communicate and cooperate with each other so that an accountable village fund report is realized.

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