



Research Paper

The Effects of Effectiveness Mediation of Internal Control System on Competency of Human Resources and Audit Opinion in Previous Year toward Quality of Financial Statement

Jessy Dimarcus L. Warongan, Gagaring Pagalung, Paulus Uppun,
and Abdul hamid habbe

University of Hasanudin, Indonesia

Received 13 December, Accepted 31 December, 2014 © The author(s) 2014. Published with open access at www.questjournals.org

ABSTRACT:- The focus of this research is in the quality improvement of financial statement, especially in North Sulawesi Province, i.e. factor of human resources' competency, previous audit opinion and internal control effectiveness. Some considerations are three urgent matters which have to be done by the leaders/bureaucrats, either central government or local government as referred to in Presidential Instruction No. 4 Year 2011, i.e. first, improving state finance quality which is effective, efficient, transparent and accountable immediately; second, accelerating the implementation of internal control system of the government to make the activities done by government effective and efficient, reliable financial statement, accountable and well-regulated asset management, as well as fidelity toward laws; third, intensifying the role of government apparatus' internal control in their own environment to give sufficient confidence upon the implementation of SPIP, giving early warning and improving the effectiveness of risk management, as well as improving the management quality of tasks and function implementation of the government institutions. The aim of this research was to test and analyze The Effects of Effectiveness Mediation of Internal Control System on Competency of Human Resources and Audit Opinion in Previous Year toward Quality of Financial Statement. The population of this research is party in Regional Government of North Sulawesi consists of 15 residences/towns and concerned in regional financial management. Whereas the sample of this research is party targeted by BPK's examination, such as financial sector/section head, treasurer and financial staff of regional structural occupation unit (SKPD) at residence/town and Province of North Sulawesi. The research result concluded that the presence of significant mediation effect human resource competence towards financial statement quality through the internal control system effectiveness. On the other hand, it was found that the presence of significant mediation effect of audit opinion of the financial statement quality through the internal control system effectiveness.

Keywords:- Mediation, Internal Control System, Human Resources, Audit Opinion, Quality of Financial Statement

I. INTRODUCTION

Bad public financial management will provide opportunity for deviations and mistakes in finance. It can create fraud which causes corruption. If it continues, the public will face the consequences, high cost of transaction and worse public services. It then causes a crisis of public confidence to the government. In the interest of developing investment, international creditors and investors will be unsure of investing in Indonesia, unless with high cost. However, the government is expected to make maximum efforts in improving the quality of financial management. However, reality is different from the expectation. It means phenomenon on the field (reality) is different from theory (expectation).

Nearly one decade since the reformation of the regulations of public financial management in Indonesia, there's no significant improvement in the quality of information of Financial Report of Regional Government (LKPD). In Fiscal Year (TA) 2012, provincial LKPD which received unqualified (WTP) opinion was 61% (16 of 26 audited provinces), regional LKPD which received unqualified (WTP) opinion was 22% (67 of 309 audited agencies), city LKPD which received unqualified (WTP) opinion was 38% (30 of 80 audited cities),

(BPK, IHP Sem. 1, 2012). Worse condition happened to regencies/cities in North Sulawesi Province five years in a row (TA 2008-2012). Investigation result showed that Minahasa Regency received WDP opinion in 2008-2011, then TW in 2012. Bolaang Mongondow Regency received WDP opinion in 2008-2009, then TMP in 2010-2012. Sangihe Regency received WDP opinion in 2008, then TMP in 2010-2012. Talaud Islands Regency received TMP opinion in 2008-2011, then TW in 2012. North Minahasa Regency received WDP opinion in 2008-2009, then WDP in 2010-2011. South Minahasa received TW opinion in 2008-2009, then TMP in 2010-2012. Manado received TMP opinion in 2008-2010, TW in 2011 and WDP in 2012. Bitung received WDP opinion in 2008-2010, then WTP in 2011-2012. Tomohon received TW opinion in 2008-2009, TMP in 2010-2011 and WDP in 2012. Southeast Minahasa Regency received TMP opinion 5 years in a row. Kotamobagu received WDP opinion in 2008-2009, then TMP in 2010-2012.

Indonesian Institute of Accountants (1994) stated that: “qualitative characteristics of financial statements are characteristics which make information in financial statements useful for the users. There are four main qualitative characteristics which make information in financial statement have high quality, which are: relevant, reliable, can be understood and comparable”. This statement is supported by a study by Ferdy Van Beest, et al, (2009) which shows the discovery that qualitative characteristics are valid and reliable measurement to assess the quality of financial statements. Conceptually, there are many determining factors of quality of financial statements.

Vander Bauwhede (2001) states that potential factors which influence the quality of financial statements are: management decisions, quality of external management mechanism (e.g. audit quality), quality of internal management mechanism (e.g. quality of board of directors), and regulations as well as mechanisms of external and internal managements.

Variables investigated in this study were variables which were considered able to influence the improvement of the quality of financial reports, particularly in the government of North Sulawesi Province, which were factors of human resources competence, audit opinion of the previous year and effectiveness of internal control. Those variables were selected based on the consideration that there were three urgent matters which should be performed by leaders/bureaucracy, whether central or regional government as stated in presidential instruction No. 4 of Year 2011 which were, firstly, to immediately improve the quality of effective, efficient, transparent and accountable quality of state finances; secondly, to accelerate government internal control system to realize effective and efficient activities of government agencies, reliable financial statements, orderly and accountable asset management, and compliance with legislations; third, to intensify the role of government internal supervisory personnel in their own environment in providing adequate confidence to the implementation of SPIP, giving early warning and improving the effectiveness of risk management, and improving the quality of the management of the implementation of tasks and functions of government agencies.

The focus of this research is in the quality improvement of financial statement, especially in North Sulawesi Province, i.e. factor of human resources’ competency, previous audit opinion and internal control effectiveness. some considerations are three urgent matters which have to be done by the leaders/bureaucrates, either central government or local government as referred to in Presidential Instruction No. 4 Year 2011, i.e. first, improving state finance quality which is effective, efficient, transparent and accountable immediately; second, accelerating the implementation of internal control system of the government to make the activities done by government effective and efficient, reliable financial statement, accountable and well-regulated asset management, as well as fidelity toward laws; third, intensifying the role of government apparatus’ internal control in their own environment to give sufficient confidence upon the implementation of SPIP, giving early warning and improving the effectiveness of risk management, as well as improving the management quality of tasks and function implementation of the government institutions. Based on the explanation above, this research was conducted to test and analyze The Effects of Effectiveness Mediation of Internal Control System on Competency of Human Resources and Audit Opinion in Previous Year toward Quality of Financial Statement.

II. RESEARCH MODEL

2.1.1 Stewardship Theory

Stewardship theory (Donaldson and Davis, 1991), describing a situation where management is not encouraged by individual motivation but it is more intended to the main target for organization’s interest. The theory assumes that there is a strong correlation between satisfaction and organizational success. *Stewardship theory* can be applied in accounting research of public organization, such as government organization (Morgan, 1996; David, 2006 and Thorton, 2009) and other non-profit organizations (Vargas, 2004; Caers Ralf, 2006 and Wilson 2010) which from early development, public organization accounting has been prepared to fulfill information needs of *stewards* and *principals*. Accounting as the *driver* of the transaction moves is getting more complex and followed by the growth of specialization in accounting and development of public organization. The more complex condition and the more demand of accountability in principal public organization are getting

more difficult to implement management functions. The separation between ownership function and management function become more real. Various limits, *capital suppliers/principals* give the management of these resources to other parties (*steward* = management) that is more *capable* and ready. The relationship between *stewards* and *principals* is based on trust, collective action according to the purposes of organization, so that the appropriate model for public sector organization is *stewardship theory*.

2.1.2 Quality of Financial Statement

Three characteristics of information determine its usefulness for decision making; (a) Relevance, information is relevant if it is pertinent to a decision problem; (b) Accuracy, information that is pertinent to a decision problem must also be accurate; (c) Timeliness, relevant and accurate data are valuable only if they are timely, that is a available in time for decision (Hilton, et al. (2000:551).

There are some concepts regarding quality of financial statement information: Hongren, et al., (2003:168) more emphasize on relevant and accurate information as the basis for decision making: "Information used for decision makin would be perfectly relevant and accurate. Precise but irrelevant information is worthless for decision making. Imprecise but relevan information can be useful. Relevant is more crucial than precion in decision making". Wilson, et, al., (2001:994) "There are some factors that will assist in getting an improved reception from the leader: (1) report should be timely. A late report is almost as useless as no report at all, and (2) report must be accurate. Errors on reports result in a lack of confidence in them and in accounting departemen".

The Quality of Financial Statement considered as product depends on to what extent the financial statement information can be utilized as the instrument of decision making. In order to the users of the financial statement can use it as the instrument of decision making, the financial statement must fulfill qualitative characteristics of financial statement. It is in line with the statement proposed by Ikatana Akuntan Indonesia that: "qualitative characteristics of financial statement are special characteristics which make information in financial statement useful for the users. There are four main qualitative characteristics of the qualified financial statements, i.e.: relevant, reliable, understandable and comparable". This statement is supported by the research conducted by Ferdy van Beest, et al. (2009) dan Jones, Gregory J., Jeannot Blanchet, (2000) showing the finding that qualitative characteristics is valid measurement instrument and can be relied to assess the quality of financial statement information.

2.1.3 Effectiveness of Internal Control

General definition of effectiveness shows the achievement of a purpose which is determined first. It is in accordance with the definition of effectiveness according to Hidayat (1986:1), i.e. "effectiveness is a measurement stating how far the targets (quantity, quality and time) have been achieved. The larger the percentage of the achieved target, the higher the effectiveness". Effectiveness shows success, viewed from the aspect of target achievement. The closer the result of activity, the higher, the effectiveness. In addition, effective internal control is needed to ensure the achievement of organization's purposes and the improvement steps which are necessary. The same understanding of internal control effectiveness is important, considering the complexity of the problems faced by local government in achieving *good governance* in local/state financial management. Based on the definition above, it can be concluded that the purposes of internal control system are: effective and efficient activities, reliable financial statement, asset safety, fidelity toward laws and regulations.

2.1.4 Human Resources' Competences

Glossary Our Workforce Matters defines competence as characteristics of the employee who contribute successful performance and organizational result achievement (Sinnott, 2002). Competences according to McClelland, (2003) are as follows :a) Skill: expertise/competence of doing something well. For instance: driving skill; b) Knowledge: Information owned/mastered by an individual in certain field. For instance: knowledge in financial management; c) Social Role: the image projected by someone to others ("*the outer self*"). For instance: a follower or an opposant; d) Self-image: an individual's perception regarding him/herself ("*the inner self*"). For instance: viewing/positioning him/herself as a leader.e) Trait: relatively constant characteristics of someone's behavior. For instance: a good listener. f) Motive: constant thought or intention which encourages an individual to take action or behave. For instance: always wants to be respected. Suprpto (2002:3) proposes that standard of competence at least contains four main components, i.e.: (1). *Knowledge*; (2). *Skills*; (3). *Attitude*; and (4). Ability to develop others' *knowledge, skills*.

2.1.5 Audit Opinion

An audit opinion is an unfragmented part with audit report. An audit opinion is important part of information delivered by auditor when auditing a financial statement of company which underlines the conformity between financial statement and accounting principle that generally prevailed in Indonesia. Opinion

paraphrase in audit report clearly suggests that the given one is an opinion, not an absolute statement or guarantee. In the auditor's report at preface paragraph clearly suggested that the responsibility of auditor is in the given opinion, while the audited financial statement is responsibility of management (SPAP, 2001). Audit opinion (Mulyadi, 2002: 20) can be described such as: a. Unqualified Opinion, b. Unqualified Opinion with Explanatory Language, c. Qualified Opinion, d. Adverse Opinion, and e. Disclaimer of Opinion.

III. METHODOLOGY OF RESEARCH

The population of this research is party in Regional Government of North Sulawesi consists of 15 residences/towns and concerned in regional financial management. Whereas the sample of this research is party targeted by BPK's examination, such as financial sector/section head, treasurer and financial staff of regional structural occupation unit (SKPD) at residence/town and Province of North Sulawesi. The Technique of sample collection used in this research is purposive sampling technique. The type of data used in this research is quantitative and qualitative data. Whereas the data source used in this research is primary and secondary data.

The primary data directly sourced from respondents by questionnaire and interview instruments and the secondary data obtained by related institute.

The analysis technique used is Structural Equation Modeling (SEM). According to Hair et al. (2006: 70) using of Structural Equation Modeling enables analysis of relation series simultaneously so that gives efficiency statistically. The hypothesis of this research as follow: H1: Human Resources Competence takes effect on Quality of Financial statement by Effectiveness of Internal Controlling System. H2: Audit Opinion of the Past Year takes effect on Quality of Financial statement by Effectiveness of Internal Controlling System.

IV. RESULT OF RESEARCH

Validity test using product moment from Pearson. If the value of validity equals to more than 0.3, the instruments stated as valid. The result of validity test at each instruments can be seen on table 1 as follow:

Table 1. Validity Test Results

Variable	Indicator	Correlation	Explanation	Variable	Indicator	Correlation	Explanation	
X1	X111	0.551	Valid	Y1	Y121	0.607	Valid	
	X112	0.607	Valid		Y122	0.655	Valid	
	X113	0.554	Valid		Y123	0.528	Valid	
	X121	0.623	Valid		Y131	0.617	Valid	
	X122	0.531	Valid		Y132	0.608	Valid	
	X123	0.612	Valid		Y133	0.593	Valid	
	X124	0.524	Valid		Y134	0.591	Valid	
	X131	0.541	Valid		Y141	0.590	Valid	
	X132	0.538	Valid		Y142	0.552	Valid	
	X133	0.565	Valid		Y143	0.562	Valid	
	X134	0.541	Valid		Y151	0.631	Valid	
	X2	X211	0.576		Valid	Y152	0.640	Valid
		X212	0.681		Valid	Y153	0.592	Valid
		X213	0.588		Valid	Y2	Y211	0.591
X221		0.564	Valid	Y212	0.602		Valid	
X222		0.601	Valid	Y213	0.565		Valid	
X223		0.663	Valid	Y214	0.563		Valid	
X224		0.600	Valid	Y221	0.587		Valid	
X321		0.626	Valid	Y222	0.595		Valid	
X322		0.632	Valid	Y223	0.526		Valid	
X323		0.648	Valid	Y231	0.681		Valid	
X324	0.581	Valid	Y232	0.645	Valid			
Y1	Y111	0.554	Valid	Y241	0.594		Valid	
	Y112	0.594	Valid	Y242	0.551	Valid		
	Y113	0.643	Valid					

According to table 1 above, it can be seen that all indicators in whole variables stated as valid because these have correlation value > 0.30. Therefore, all indicator can be applied in this research.

In this research, the reliability test using alpha cronbach's coefficient. The result of this test stated as reliable if the value equals to more than 0.6 (Malhotra, 1992 at Solimun, 2010). The result of reability test on each variables shown in table 2.

Table 2. Reliability Test Results

Variable	Alpha Cronbach	Explanation
X1	0.831	Reliable
X2	0.825	Reliable
Y1	0.878	Reliable
Y2	0.804	Reliable

According to table 2, it provides the alpha cronbach's value >0.6 on whole indicators. It means the instruments in this research are valid and reliable. Some of compatibility index and cut-off value to examine whether a model can be accepted or refused. The result of goodness of fit overall model can be seen in Table 3.

Table 3. Testing Results Goodness Of Fit Overall Model

Criteria	Cut-of value	Testing Results	Explanation
RMSEA	≤ 0,08	0.071	Fit
GFI	≥ 0.900	0.913	Fit

The result of goodnees of fit overall model test can be seen on table 3 as follow, it is known that the value of The Root Mean Square Error of Approximation (RMSEA) equals to $0.071 < 0.08$ and $GFI 0.913 > 0.9$ is eligible the cut off value. Based on parsimony principleand rule of tumb, if there is one or two criteria of goodness of fit which is eligible, the model was considered as good and proper to be applied, so it can be interpreted to the further consideration.

4.1. Mediation of Effectiveness of Internal Controlling System on Effect of Human Resources Competent to Quality of Financial statement.

Here it is provided the complete result of mediation test of effectiveness of internal controlling system on effect of human resources competent to quality of financial statement.

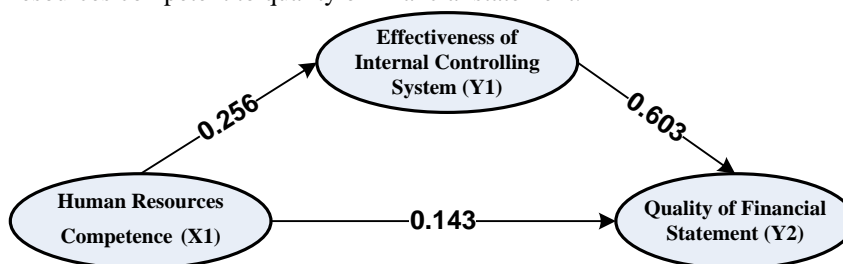


Figure 1. Mediation of Effectiveness of Internal Controlling System on Effect of Human Resources Competent to Quality of Financial statement.

Table 4. Mediation of Effectiveness of Internal Controlling System on Effect of Human Resources Competent to Quality of Financial statement.

Relationship Between Variables	Coefficient	P-value	Explanation
Human Resources Competence (X1) → Effectiveness of Internal Controlling System (Y1)	0.256	0.001	Significant5%
Human Resources Competence (X1) → Quality of Financial Statement (Y2)	0.143	0.019	Significant5%
Effectiveness of Internal Controlling System (Y1) → Quality of Financial Statement (Y2)	0.603	0.000	Significant5%
Human Resources Competence (X1) → Effectiveness of Internal Controlling System (Y1) → Quality of Financial Statement (Y2)	0.154	0.003	Significant5%

According to table 4 and figure 2, the mediation effect test between the human resources competence (X1) to quality of financial statement (Y2) by effectiveness of internal controlling system (Y1) it is obtained that sobel test coefficient equals to 0.154 with p-value equals to $0.003 < 0.05$, so it can be stated that there is significant mediation effect between human resources competence to quality of financial statement by effectiveness of internal controlling system. With the positive value of coefficient, it indicates the positive relation. It means that the higher the human resources competence, the higher the quality of financial statement, if the effectiveness of internal controlling system in a high behavior.

The result of this test indicates that the internal controlling system becomes mediator of effect of human resources competence to quality of financial statement. The higher the human resources competence, with the higher mediation of effectiveness of internal controlling system, it will upgrade the quality of financial statement. So that the affectiveness of internal controlling system has an important role as a mediation factor to the behavior.

Effectiveness of internal controlling is very important in acheiving organisation's purpose. In this current reformation era, it feels so complicated about issues dealt in order to create the high grade government especially in government financial management, the government requires a controlling enstrument to achieve the effective, efficient, transparent and accountable government financial management. In increasing the effectiveness of internal controlling, it requires the capacity of good human resources which will have an effect to good performance of organisation, and one of the measurement about the goodness the organisation is the financial statementing, whether it provides realibility and well in time.

The high-quality human resources competence was really expected to be able to manage the local government finance well, in order that the accountability to the implementation of Revenue and Expenditure Budget going well as well. Financial statement in public sector had an important role in creating public sector accountability. Greater demands on the implementation of the public sector accountability enlarged the needs for transparency of public sector financial information. This financial information served as the consideration basic in the decision-making process. The public sector accounting had an important role in preparing the financial statement as the public accountability embodiment (Mahmudi, 2007; 3).

One of the concrete efforts in manifesting the transparency and accountability of financial management of the country was through running an accounting control and delivery the government financial responsibility report that met the proper time and laid by adhering to the government accounting standard that has been accepted in common. This is regulated in the Act no. 17 year 2003 about State Finance that requires the form and the content of the accountability reports implementation of the State Revenue and Expenditure Budget/Local Revenue and Expenditure Budget arranged and presented based on the government accounting standards set by a government regulation. While in Ministerial Regulation no. 13 year 2006 that has been revised into Ministerial Regulation no. 59 year 2007 that is in section 4 dealing with common principle of Local Financial Management. The local government financial statementing process is done by referring to the government accounting standards that has been set. After adapted to the Government Accounting Standards, so the local financial statement is ready to be audited by auditors, then it could be submitted to the Regional Parliaments and published to public. The published financial statement that has been audited, for further it can be used as the performance evaluation material and gives feedback to the next period planning (Mahmudi, 2007: 27).

The Quality of local government financial statement is strongly influenced by how reliable the accounting system applied. The local government accounting system is an assemblage of subsystems that in each subsystem, there are stages, procedures, devices, and regulations to be followed in collecting and recording financial data, then process the data into various financial statements to the internal and external of the local government (Mahmudi, 2007: 17).

Human resource is the most important resource. The use of human as a power source of course is different from other resources. To be able to utilize human resources in steady, one of aspects that should be considered are problems related to its management and development (Soesanto, 2001 : 150). A good capacity of human resources will have an impact to a good organizational performance, one of the measurement of good organizational performance is on the financial statementing. Whether it has been presented in reliable and timely.

4.2. Mediation of the Internal System Effectiveness Control on the Former Years Influence of the Audit Opinion on the Quality of Financial statements

Below, the complete results mediation testing of the internal control system on the influence of an audit opinion former year towards the quality of financial statement.

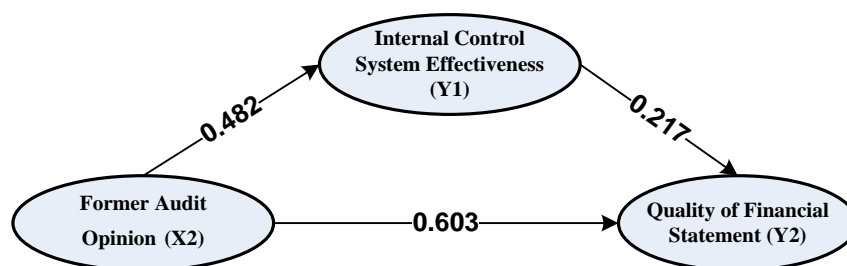


Figure 2. Mediation of the Internal System Effectiveness Control on the Former Years Influence of the Audit Opinion on the Quality of Financial statements

Table 5. Mediation of the Internal System Effectiveness Control on the Former Years Influence of the Audit Opinion on the Quality of Financial statements

Relationship Between Variables	Coefficient	P-value	Explanation
Former Audit Opinion (X2) → Internal Control System Effectiveness (Y1)	0.482	0.000	Significant5%
Former Audit Opinion (X2) → Quality of Financial Statement (Y2)	0.217	0.002	Significant5%
Internal Control System Effectiveness (Y1) → Quality of Financial Statement (Y2)	0.603	0.000	Significant5%
Former Audit Opinion (X2) → Internal Control System Effectiveness (Y1) → Quality of Financial Statement (Y2)	0.291	0.000	Significant5%

Based on table 5 and figure 3, the testing of mediation effect between the former Audit Opinion (X2) toward the quality of financial statement (Y2) through internal control system effectiveness (Y1) it has got *sobel test* coefficient of 0.291 with p-value $0.027 < 0.05$, so it can be said that there are significant mediation between the former Audit Opinion towards the quality of financial statement through internal control system effectiveness. The positive coefficient indicates a positive relationship. It means that the higher audit opinion of the previous year, will result in the higher quality of financial statement, if the internal control system effectiveness to behave dutiful I high as well.

This testing result indicates the variable of internal control system effectiveness becomes the mediator of audit opinion influence of the previous year toward the quality of financial statement. The higher audit Opinion of the previous year, with internal control system effectiveness that going high and higher, it will increase the financial statement quality. So, the internal control system effectiveness has an important role as a mediation factor to behave.

An Audit Opinion is an inseparable part of the audit report. An Audit Opinion is an important part of information that is delivered by auditors when they are auditing a firm financial statement that emphasized on the appropriateness between the financial statement and the accounting principles that are generally accepted in Indonesia. The opinion paragraph in audit report states that those which are given are opinions and not an absolute statement or guarantee. In an auditor report in the introduction paragraph, it is firmly stated that this that is being the auditors' responsibility is on the opinions given, while the audited financial statement is the management's responsibility (SPAP, 2001).

An audit report was a media used by the auditors in communicating with their environment. An audit opinion was given by the auditor through several auditing stages, so the auditors could give a conclusion of the opinion that should be given for the financial statement audited by him/herself. Arens and Lobbecke (2006: 36) says that audit report was the last step of the whole auditing processes. Thus, the auditors, in giving opinions, are based on their professional faith.

According to IAI (2001), in SA section 326 it was said that the auditing goal of the financial statement done by independence auditors commonly was to deliver opinion about reasonableness, in all material, financial position, business results, equity changes, and cash flow based on the accounting principle that commonly accepted in Indonesia. Auditor reports were also means to an auditor to deliver his/her opinion or if the condition requires it should be, to state not to deliver opinions.

To increase the quality of local government financial statement so the financial statement need to be audited by the Audit Agency (BPK). Section 15 article (1) the Act no 15 year 2004 insists that the Audit Agency

(BPK) arranges the inspection result report after the inspection done. Section 16 article (1) Act no 15 year 2004 states that the inspection result report for government financial statement contains opinions. Opinions are professional statements as an inspector conclusion about the rate of information reasonableness presented in the financial statement.

In implementing financial statement inspection, Audit Agency is required to test and assess the local government internal control system, as stated in section 12 Actno 15 year 2004 says "In order to audit the finance and/or performance, the auditor does testing and assessment toward the implementation of the government internal control system." The goal of the internal control system was to increase the implementation efficiency and the effectiveness of the auditing done by the Audit Agency and for the local government it was used to repair the control system and internal auditing performance. At the end of fiscal year, the regional head should arrange responsibility report of Local Revenue and Expenditure implementation delivered to Regional Parliaments in the form of local government financial statement that has been audited by the Audit Agency. Audit results of Audit Agency are in the form of audit result report and opinion giving on reasonableness of the financial statement serving.

V. CONCLUSION

The research result concluded that the presence of significant mediation effect human resource competence towards financial statement quality through the internal control system effectiveness. On the other hand, it was found that the presence of significant mediation effect of audit opinion of the financial statement quality through the internal control system effectiveness.

REFERENCES

- [1]. Badan Pemeriksa Keuangan (BPK). 2013. *Hasil Pemeriksaan Atas Laporan Keuangan Pemerintah Pusat dan Laporan Keuangan Pemerintah Daerah Semester Satu Tahun 2013 untuk Tahun Anggaran 2012*. (In Indonesian) Jakarta:
- [2]. Badan Kepegawaian Negara, (2003), *Pedoman Penyusunan standar Kompetensi Jabatan Pegawai Negeri Sipil*, (In Indonesian) Puslitbang BKN.
- [3]. Bauwhede Heidi Vander, 2001, "What Factors Influence Financial Statement Quality a Frame and Some Empirical Evidence", Presented at Komperensi The Euroconference on Financial Reporting and Regulatory Practices in Europe, Parlermo, Italy.
- [4]. Bodnar, G. H., and Hopwood, W. S. 2003. *Accounting Information System*. Fifeth Edition. New Jersey: Prentice-hall international. Inc
- [5]. Caers Ralf, Cindy Du Bois, Marc Jegers, Sara De Gieter, Catherine Schepers, Roland Pepermans, 2006, "Principal-Agent Relationships on the Stewardship-Agency Axis", *Nonprifit Management and Learship*. Vol. 17, No.1.
- [6]. David M, Van Slyke, 2006, "Agents or Stewards: Using Theory to Understand the Government-Nonprofit Social Service Contracting Relationship", *Journal of Public Administration Research and Theory*, No. 17.
- [7]. Donaldson, L., and Davis, J. H. 1991. Stewardship Theory or Agency Theory: CEO Covernance and Shareholders Return. *Australian Journal of Management* Vol. 16. iss. 1, p. 49-65.
- [8]. Ferdy Van Beest, Geert Braam, Suzanne Boelens, (2009). "Quality of Financial Reporting: Measuring Qualitative Characteristics", Nijmegen Center for Economics (NiCE) Institute for Management Research, Radboud University Nijmegen. <http://www.ru.nl/nice/workingpapers>.
- [9]. Hidayat. 1986. *Manajemen Sumber Daya Manusia bagi Perusahaan*. (In Indonesian) Yogyakarta:Gramedia.
- [10]. Hilton, R. W., Michael, W. M. and Frank, H. S. 2000. *Cost Manajemen, Strategies for Business Decision*. Intemational Edition, McGraw-Hill Companies, Inc.
- [11]. Horgren, C. T., Foster, G., and Datar, S. M. 2003. *Cost Accounting : A Managerial Emphasis*. 11th Edition, Pretice-Hall International, Inc.
- [12]. Jones, Gregory J., Jeannot Blanchet., 2000, "Assessing Quality of Financial Reporting", *Accounting Horizons*, Vol 14. No.3.
- [13]. Ikatan Akuntan Indonesia. 1994. *Standar Akuntansi Keuangan; Kerangka Das.- Penyusunan dan Penyajian Laporan Keuangan* (In Indonesian) Jakarta: Salemba Empat.
- [14]. Jones, Gregory J., Jeannot Blanchet., 2000, "Assessing Quality of Financial Reporting", *Accounting Horizons*, Vol 14. No.3.
- [15]. McClelland, 2003, "Using Competencies to Identify High Performers: An Overview of the Basics". Hay Group.Inc. All rights reserved in all formats. Philadelphia, USA.
- [16]. Morgan, D., Bacon, K. G., Bunch, R., Cameron, C. D., and Deis, R. 1996. What Middle Managers Do In Local Government: Stewardship of The Public Trust and Limits of Reinventing GovernmenL *Public Administration Review*. Vol.56 (4), p. 359-366.
- [17]. Mulyadi, 2002, *Auditing*, (In Indonesian), Salemba Empat, Jakarta.
- [18]. Rezaee, Z. 2003. High-Quality Financial Reporting: The Six-Legged Stool. *Strategic Finance*. Vol. 84 (8), p. 26-30. Sawyer, L. B. 2003.
- [19]. Sinnott, G.C., Madison, G.H. and Pataki, G.E. (2002). *Competencies: Report of the Competencies Workgroup, Workforce and Succession Planning Workgroups*. New York State Governor's Office of Employee Relations and the Department of Civil Service.
- [20]. Suprpto, *Standarisasi Kompetensi PNS Menuju Era Global*, (In Indonesian) Kertas kerja Volume II Nomor 05 Tahun 2002.
- [21]. Wilson, J. D. 2001. Determining Organizational Information Needs: The Critical Success Factors Approach. *Information Research*. Vol. 7 (1).
- [22]. Wilson, R, Kent, 2010, "Steward Leadership: Characteristics of The Steward Leader in Christian Nonprofit Organizations", A Dessertation Presented for the Degree of PhD at The University of Aberdeen.