Effect of APIP Capability in the Framework of the Internal Audit Capability Model, and SPIP Maturity on the Quality of Local Government Financial Statement(Study on Local Government in West Java Province)

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Abstract---This study aims to determine whether APIP capabilities within the framework of the internal audit capability model and SPIP maturity affect the quality of local government financial reports. The research method used in this study is the explanatory method. The population in this study is the Regional Government in the area of West Java Province, the population in this study were 28 Regional Governments. While the analytical method used in this study is multiple linear regression analysis at a significance level of 5%. The program used in analyzing data uses Statistical Package for Social Sciences (SPSS) Ver.21.00. Based on the results of the study show that the APIP Capability and SPIP Maturity significantly influence the Quality of Regional Government Financial Reports.

Keywords---APIP Capability, SPIP Maturity, Quality of Local Government Financial Reports.

I. PRELIMINARY

The implementation of Bureaucratic Reform in the Unitary State of the Republic of Indonesia has become the starting point of the demands of the public for transparency and accountability in various aspects, especially state finance. Good Government Governance is highly coveted by the Indonesian people, given the large budget managed by the government.

With the issuance of Law Number 23 of 2014 concerning Regional Government as amended into Law Number 9 of 2015 concerning Second Amendment to Law Number 23 of 2014, the paradigm of administering government and development in the regions has shifted, where there are several management matters the state delegated from the Central Government to the Regional Government, the consequence of this makes the demands of the community for Transparency and Accountability to local governments increase. The indicators for the transparency and accountability of the Regional Government can be seen from the Opinion of Local Government Financial Reports issued by the BPK - RI, as well as data on the development of the following financial statement opinions:

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Table 1.1: *Perkembangan Opini Laporan Keuangan Pemerintah Daerah*

No	Tahun	Opini							
		WTP		**WDP**		**TMP**		**TW**	$\sum$
1	2007	4	1%	282	61%	120	26%	58	13%	464
2	2008	13	3%	323	67%	118	24%	31	6%	485
3	2009	15	3%	330	65%	111	22%	48	10%	504
4	2010	34	7%	341	66%	119	23%	26	5%	520
5	2011	67	13%	352	67%	97	19%	7	1%	523
6	2012	119	23%	320	61%	79	15%	6	1%	524
7	2013	156	31%	308	61%	32	6%	10	2%	506
8	2014	252	47%	248	46%	4	1%	34	6%	538

Table 1.1 shows that opinions on Local Government Financial Reports from 2007 to 2014 still have not shown optimal results, where in 2014 only 47% of Regional Governments had won Unqualified Opinion (WTP), while the financial statements' fairness opinion The table is based on compliance with Government Accounting Standards, Effectiveness and Reliability of the Internal Control System, and Compliance with the provisions of Legislation.

Faced with the demands of the community for state and regional financial accountability and the laws and regulations in the state and regional finance regarding the responsibilities of state and regional financial management that must be managed in an orderly manner, complying with laws and regulations, efficient, economical, effective and transparent with due regard to justice, propriety , fairness and partiality to the community, the description of the opinion in table 1.1 above is still far from expectations.

The Internal Auditors Association (Institute of Internal Auditors - IIA) was quoted by Messier (2005: 514), defining internal audit as follows:

Internal audit is an independent activity, objective beliefs, and consultations designed to add value and improve the organization's operations. This internal audit helps the organization achieve its objectives by taking a systematic and disciplined approach to evaluating and increasing the effectiveness of risk management, control and governance processes.

The Internal Audit Capability Model (IA-CM) is a framework that identifies the fundamental aspects needed for effective internal supervision in the public sector (Government) developed by the Institute of Internal Auditors, the important elements identified are:
   1. *Service and Role Of Internal Auditing*
   2. *People Management*
   3. *Professional Practices*
   4. *Performance Management and Accountability*
   5. *Organizational Relationships and Culture*
   6. *Governance Structure*

Government Internal Supervisory Apparatus as an Internal Auditor Government has a large role and responsibility in realizing Good Government Governance, if APIP carries out functions optimally it is expected that State / Regional Financial Revenues will Increase, State / Regional Expenditures will be more effective, State / Regional financial fraud will decreases and can be detected early, the quality of public services will increase (Saudi, 2018).

In the decision of the Head of the Financial and Development Supervisory Agency of the Republic of Indonesia Number 06 of 2015 concerning the Grand Design of Capability Improvement of the Government Internal Supervisory Apparatus 2015 - 2019 it was stated that based on the results of the level of capability assessment in 474 APIP, December 31, 2014 showed results as the following:

Tabel 1.2: Kapabilitas APIP Desember 2014

Kapabilitas	APIP	Persen
Level 1 (Initial)	404	85,23 %
Level 2 (Infrastructure)	69	14,56 %
Level 3 (Integrated)	1	0,21 %

This is in line with the results of the 2013 BPK RI performance audit on the performance of 86 Internal Government Supervisory Apparatus at the Ministry / Institution, Provincial, District Level, City showing the following results:

Table 1.3: 2013 *BPK RI Audit Results*

Uraian	Kondisi APIP		
	Sudah	Belum	Tidak Ada Keterangan
Memiliki Juklak / Juknis	7	53	26
Mengimplementasikan Kode Etik	16	63	7
Membuat Internal Audit Charter	7	73	6
Melakukan Analisis Kebutuhan Auditor	2	66	18
Memperoleh Diklat Sesuai Kebutuhan	11	71	4

Table 1.3 above shows that there are still many Government Internal Supervisory Officers who have not been effective in carrying out their Main Tasks and Functions, including many Government Internal Supervisory Apparatus that have not implemented Audit Standards and Code of Ethics, and low efforts to increase the professional capacity of the Government Internal Supervisor, while APIP is currently Ad hoc and unstructured, auditing is still limited to obedience, output is highly dependent on people's expertise in certain positions and does not apply specific professional practices other than those set by professional associations.

The research results of the 2016 Financial Supervisory and Development Supervisory Agency's Research and Development Center on APIP capability in the title of the Study of the Effect of APIP Capability on Ministry / Institutional Financial Report Accountability shows that the APIP Capability Level has a moderate effect on the BPK RI's opinion as an indicator of financial report accountability .

Government Regulation Number 60 Year 2008 concerning SPIP is a government effort to fulfill Article 58 of Law Number 1 Year 2004 concerning State Treasury, namely to carry out an internal control system within the government as a whole in order to improve performance, transparency and accountability. This PP 60/2008 is expected to play a role in three things: as a basis for fostering the implementation of SPIP, the basis for the implementation of internal supervision and standards for the implementation of SPIP.

The Maturity Level Assessment guidelines are motivated by the government's efforts to meet the stages of the governance process in implementing SPIP. The Program for the Implementation of SPIP has been proclaimed in the Medium-Term Government Plan (RPJM), so the obligation of the government also provides a mechanism to measure the success of the program. Measurement of Maturity Level.

The increase in SPIP Maturity is expected to provide adequate confidence in the ability to implement SPIP in achieving improved performance, transparency, and accountability in managing state finances. Internal control (internal control) can have a narrow and broad meaning. In a narrow sense, internal control is a check of horizontal summation and addition

downhill. Internal control in the narrow sense is the same as internal check, which is something a system and procedure that can be automatically checked by other parts or functions in a company organization. And the implications for the application of the principles of good governance

Research on SPIP entitled Effect of government internal control systems, implementation of government accounting standards, completion of audit findings on the quality of local government financial reports (Diana Sari, 2012) shows the results of government internal control systems, implementation of government accounting standards, resolution of audit findings positively affecting quality local government financial reports both simultaneously and partially.

Simultaneously, these three variables have a strong enough influence on the quality of financial statements, although there are still some weaknesses in implementation, but these weaknesses do not interfere with the research conclusions. Partially, the government internal control system variables and the implementation of government accounting standards have a very weak influence on the quality of local government financial reports, while the audit findings resolution variable has a strong enough effect on the quality of the LKPD.

In this study the authors determine APIP Capability and SPIP Maturity as Independent Variables and the Quality of Local Government Financial Reports as Dependent Variables, the authors suspect that with the concern of the central government in an effort to increase APIP Capability and SPIP Maturity will have an influence on the quality of Local Government Financial Reports.

Based on the description above, the authors are interested in conducting research on the District / City Government in the West Java Province in the preparation of the thesis with the title:

"Effect of APIP Capability in the framework of the Internal Audit Capability Model, and SPIP Maturity on the Quality of Local Government Financial Reports" (Study on Local Governments in West Java Province)

II. LITERATURE REVIEW

II.I. APIP Capability

Capability of the Government Internal Supervision Apparatus (APIP) is the ability to carry out supervisory tasks consisting of three interrelated elements, namely the capacity, authority, and competence of the APIP HR that must be owned by APIP in order to realize the APIP role effectively. Capability enhancement is an effort to strengthen, enhance, develop institutions, business / management / management processes and human resources of APIP in order to be able to carry out effective roles and functions of APIPInternal Audit Capabilty Model Framework

The Internal Audit Capability Model (IA-CM) model that was developed in 2009 by The Institute of Internal Auditors (IIA), is a framework that identifies the fundamental aspects needed for effective internal supervision in the public sector , which illustrates the evolutionary path for public sector organizations in order to develop effective internal supervision to meet organizational governance requirements and professional expectations, which shows steps towards a strong and effective condition of internal control capability.

Indicators of success in implementing good governance in the APIP environment refer to six important elements for internal audit activities identified by The Institute of Internal Audit in the Internal Audit Capability Model as follows:

1. Services and Role of Internal Auditing (Roles and Services)
2. People Management
3. Professional Practices
4. Performance Management and Accountability (Performance Management and Accountability)
5. Organizational Relationships and Culture (Relations and Organizational Culture)
6. Governance Structure (Governance Structure)

II.II.SPIP Maturity

The Guidelines for Assessment and Strategy for Increasing Maturity for the Implementation of the Government Internal Control System (SPIP) are a manifestation of the governance process of Fostering the Implementation of SPIP in order to measure the success of SPIP implementation based on PP 60 of 2008 article 47 paragraph (2) letter b and article 59 paragraph (1) and (2). The government is required to conduct SPIP as a whole, starting from the introduction of concepts and guidelines for the implementation of SPIP, to measuring the success of the implementation of SPIP with a methodology that can measure the role of SPIP in supporting the implementation of state financial management accountability.

This Maturity Level Assessment is motivated by the government's efforts to fulfill the stages of the governance process in implementing SPIP. The Program for the Implementation of SPIP has been proclaimed in the Medium-Term Government Plan (RPJM), so the obligation of the government also provides a mechanism to measure the success of the program. Measurement of Maturity Level The implementation of SPIP will provide adequate capacity of SPIP in achieving improved performance, transparency and accountability in managing state finances within the government

II.III. Definition of the Organizational Maturity of SPIP

Maturity means full or optimal development (Cooke-Davis, 2005). Andersen and Jessen (2003) state that the concept of maturity in an organization aims to direct the organization in optimal conditions to achieve its objectives. According to IIA (2013) The maturity model describes the stages of the process that are believed to lead to better outputs and outcomes.

Low maturity reflects a lower probability of achieving goals, while a higher level of maturity reflects a higher probability of success. The maturity level of the implementation of SPIP is a framework that contains basic characteristics that indicate the maturity level of structured and sustainable SPIP implementation. This maturity level can be used at least as an evaluative instrument for the implementation of SPIP as well as a generic guide to increasing the maturity of the internal control system.

The maturity level of the implementation of the Government Internal Control System is the level of maturity / perfection of the implementation of the government's internal control system in achieving the objectives of internal control in accordance with Government Regulation Number 60 of 2008 concerning the Government's Internal Control System.

The pattern of maturity of the SPIP is patterned in six levels, namely: "Not Available", "Stubs", "Developing", "Defined", "Managed and Measured", and "Optimum". The intended level is equal to each level 0, 1, 2, 3, 4 and 5. Each maturity level has basic characteristics that indicate the role or capability of implementing SPIP in supporting the achievement of the objectives of government agencies.

II.IV. Definition of Local Government Financial Statements

The current practice of government financial reporting in Indonesia is still based on concepts and systems originating from the past few decades, fundamental changes have not been made. Several records in various entities on the implementation of the budget are still held in a single bookkeeping manner, and are organized by agencies separately with different types of accounting. Financial reporting in some entities is still simple, namely for accountability only, it cannot yet present information for managerial purposes.

According to Nordiawan (2012: 35) regional financial statements are: "A structured report on financial position and transactions carried out by a reporting entity."

Then stated in the Domestic Regulation Number 13 of 2006 concerning Guidelines for Regional Financial Management, in the general provisions mentioning that what is meant by regional finance are all regional rights and obligations in the context of administering regional government that can be valued with money including all forms of wealth related to rights and obligations of the area. Furthermore, in Article 4, it is also stated that regional financial management is carried out in an orderly, law-abiding, effective, efficient, economical, transparent manner.

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According to Government Regulation Number 71 of 2010 the notion of financial statements is:

"Financial reports are structured reports regarding financial position and transactions carried out by a reporting entity."

From some of the above meanings it can be said that financial statements are written reports that provide qualitative information about the financial position of transactions carried out by a reporting entity.

II.V.Qualitative Characteristics of Local Government Financial Reports

There are four main qualitative characteristics of financial statements that must be fulfilled so that financial statements can be useful for decision making as explained in the basic framework of Government Accounting Standards Government Regulation Number 71 of 2010. The four qualitative characteristics are understandable, relevant, trustworthy, and comparable.

Explanation of the four qualitative characteristics are as follows:

1. Relevant

Financial statements can be said to be relevant if the information contained in them can influence user decisions by helping them evaluate past and present events. Relevant information includes:

a. Has feedback value

Information allows users to confirm or correct their expectations in the past.

b. Has predictive value

Information can help users predict the future based on past results and current events.

c. On time

Information is presented on time so that it can influence and be useful in decision makers.

d. Complete

Government financial accounting information is presented as completely as possible including all accounting information that can influence decision making by taking into account existing constraints.

2. Reliable or reliable

Information in financial statements is free of misleading and material errors, presents every fact honestly, and can be verified. Reliable information meets the characteristics:

a. Honest presentation

Information honestly describes transactions and other events that should be presented or reasonably expected to be presented.

b. Can be verified

The information presented in the financial statements can be tested, and if the test is carried out more than once by different parties, the results still show conclusions that are not very different.

c. Neutrality

Information is directed at general needs and does not take sides with the needs of certain parties.

3. Can be compared

The information contained in the financial statements will be more useful if it can be compared with the financial statements of the previous period or the financial statements of other reporting entities in general. Comparison can be done internally and externally. Internal comparisons can be made if an entity applies the same accounting policy from year to year. External comparisons can be made if the comparable entity applies the same accounting policy.

4. Understandable

The information presented in the financial statements can be understood by the user and expressed in the form and terms that are adjusted to the limits of understanding of the users.

II.VI.Research Methods

In this study the method used by the author is an explanatory method through a survey study approach. Explanatory research is a research method that intends to obtain clarity of phenomena that occur empirically and try to get answers to causal relationships between variables through testing hypotheses.

II.VII.Unit of Analysis

The unit of analysis is the aggregation of data analyzed in the study. In this study the unit of analysis is the Regional Government in West Java.

II.VIII.Operational Variables

Operational Variables are ways to measure a concept or how a concept must be measured, where there are variables that influence and are influenced, namely variables that can cause other problems to occur and / or variables whose situation and condition depend on other variables.

Variables in research are an attribute of a group of objects studied, have variations between one and the other in the group.

Based on problem identification, research consists of two variables, namely:

1. Independent Variable

Independent variables are variables that affect other variables. The independent variable in this study is taxation with sub-variables, namely: Effect of Morality and Knowledge of Taxes.

2. Bound Variables (Dependent Variable)
• Test Reliability
    Reliability is a tool to test a questionnaire which is an indicator of variables or constructs and the questionnaire is said to be reliable or reliable if someone's answer to the statement is consistent and stable over time (Ghozali, 2012).
    Data analysis method

• Multiple Linear Regression Analysis
    Regression analysis is used to determine the relationship that exists between variables so that the relationship obtained can be estimated by one variable, if the price of other variables is known. The equation of the regression model used by the writer is the equation of multiple regression models (multiple regression analysis).

• Determination Coefficient Analysis
    The coefficient of determination (R^2) basically aims to measure how far the ability of the model to explain the variation of the dependent variable. The value of the coefficient of determination is between zero and one. A small value (R^2) means that the ability of independent variables to explain variations in the dependent variable is very limited. Value approachingone means that the independent variables provide almost all the information needed to predict variations in the dependent variable (Ghozali, 2011).

•Hypothesis testing
    The t test (t-test) is used to test hypotheses partially to show the effect of each individual independent variable on the dependent variable. T test is testing regression coefficient of independent variables on the dependent variable to find out how much influence the independent variables have on the dependent variable (Ghozali, 2011).
    The F test is a test of the regression relationship simultaneously which aims to determine whether all the independent variables together have a significant effect on the dependent variable.

III. RESEARCH RESULTS AND DISCUSSION
    Validity test is done by correlating each statement with the number of scores of each variable. Validity is defined as to what extent the accuracy and accuracy of a measuring instrument in carrying out its functions. Therefore, the authors examine the level of validity of the questionnaires distributed to the respondents. The validity test results are used with the help of the SPSS Program, each variable is as follows:

Tabel 4.1

Validitas Variabel Kapabilitas APIP

Butir Pernyataan	r hitung	r tabel	Keterangan
P1	0,751	0,373	VALID
P2	0,528	0,373	VALID
P3	0,751	0,373	VALID
P4	0,751	0,373	VALID
P5	0,424	0,373	VALID
P6	0,632	0,373	VALID
P7	0,382	0,373	VALID
P8	0,632	0,373	VALID
P9	0,592	0,373	VALID
P10	0,431	0,373	VALID
P11	0,751	0,373	VALID
P12	0,697	0,373	VALID
P13	0,598	0,373	VALID

Sumber: Pengolahan Data

Tabel 4.2

Validitas Variabel Maturitas SPIP

Butir Pernyataan	r hitung	r tabel	Keterangan
P14	0,742	0,373	VALID
P15	0,805	0,373	VALID
P16	0,645	0,373	VALID
P17	0,784	0,373	VALID
P18	0,651	0,373	VALID
P19	0,712	0,373	VALID
P20	0,719	0,373	VALID
P21	0,805	0,373	VALID
P22	0,806	0,373	VALID
P23	0,770	0,373	VALID
P24	0,712	0,373	VALID
P25	0,754	0,373	VALID
P27	0,854	0,373	VALID
P28	0,580	0,373	VALID
P29	0,811	0,373	VALID
P30	0,396	0,373	VALID
P31	0,762	0,373	VALID
P32	0,812	0,373	VALID

Sumber: Pengolahan Data

Tabel 4.3

Validitas Variabel Kualitas Laporan Keuangan Pemerintah Daerah

Butir Pernyataan	r hitung	r tabel	Keterangan
P33	0,689	0,373	VALID
P34	0,786	0,373	VALID
P35	0,621	0,373	VALID
P36	0,656	0,373	VALID
P37	0,656	0,373	VALID
P38	0,772	0,373	VALID
P39	0,740	0,373	VALID
P40	0,728	0,373	VALID
P41	0,386	0,373	VALID
P42	0,400	0,373	VALID

Sumber: Pengolahan Data

Based on the validity test (Table 4.1, 4.2, 4.3) for each of the above variables fulfilling the validity criteria, namely the value of r count> r table value

III.I. Reliability Test

In reliability testing using SPSS, the steps taken are the same as the validity testing step. Because both outputs appear simultaneously. The following are the results of reliability testing using the SPSS program:

Tabel 4.4

Reliabilitas Variabel Kapabilitas APIP

Reliability Statistics

Cronbach's Alpha	N of Items
,897	13

Sumber: Hasil Output SPSS

From the table at 4.4 for the variable reliability value APIP Capability of 0.897 is> 0.80 shows the level of reliability Strong, so the variable APIP Capability has met reliable criteria. While the results of the SPIP Maturity reliability test are as follows:

Tabel 4.5

Reliabilitas Maturitas SPIP

Reliability Statistics

Cronbach's Alpha	N of Items
,958	19

Sumber: Hasil Output SPSS

From table 4.5 above the reliability value of the SPIP Maturity variable is 0.956 which is> 0.80 indicating that the reliability level is very strong, so the SPIP Maturity variable has met reliable criteria. While the results of testing the reliability of the variable Quality of Local Government Financial Reports are as follows:

Tabel 4.6

Reliabilitas Variabel Kualitas Laporan Keuangan Pemerintah Daerah

Reliability Statistics

Cronbach's Alpha	N of Items
,894	10

Sumber: Hasil Output SPSS

From table 4.6 above the reliability value of the Local Government Financial Report variable of 0.896 is> 0.80 shows that the level of reliability is very strong, so the variable Quality of Financial Statements of Local Government has met reliable criteria.

IV. DATA ANALYSIS METHOD
IV.I. Regression Analysis

Regression analysis is used to determine the relationship that exists between variables so that the relationship obtained can be estimated by one variable, if the price of other variables is known. The equation of the regression model used by the writer is the equation of multiple regression models (multiple regression analysis). The following table presents a regression model that is formed as follows:

Tabel 4.27

Regresi Linear Berganda

Coefficientsª

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15,056	5,233		2,877	,008
	Kapabilitas_APIP	,264	,131	,374	2,005	,001
	Maturitas_SPIP	,165	,073	,423	2,270	,002

a. Dependent Variable: Kualitas_Laporan_Keuangan_Pemerintah_Daerah

Sumber : Hasil Output SPSS

Regression models formed based on the results of the study are:

Y = 15,056+ 0.264X1 + 0.165 X2

The regression model can be explained:

a. If α = constant is 15,056, it means that if the independent variable, namely the APIP Capability variable and SPIP Maturity is considered constant (worth 0), then the dependent variable is the Local Government Financial Report Quality variable which will be worth 15,056.

b. If the regression coefficient value of the APIP Capability variable shows 0.264, it means that if the APIP Capability variable has increased by (one) unit, while the other independent variable is the SPIP Maturity variable is considered constant (worth 0), then the dependent variable is the Local Government Financial Report Quality variable increased by 0.264.

c. If the variable regression coefficient value of Maturity SPIP is 0.165, meaning that if the SPIP Maturity variable has increased by (one) unit, the other independent variable is the APIP Capability variable is consideredconstant (worth 0), then the dependent variable is the Local Government Financial Report Quality Quality variable which will increase by 0.165.

IV.II. Determination Coefficient Analysis

The coefficient of determination test is used to measure how far the model's ability to explain the variation of the independent variable on the dependent variable. The coefficient of determination indicated by the value R2 of the regression model is used to determine the magnitude of the variability of the dependent variable which can be explained by the independent variables.

Tabel 4.28

Koefisien Determinasi Simultan

Model Summary[b]

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,731[a]	,535	,498	3,47371

a. Predictors: (Constant), Maturitas_SPIP, Kapabilitas_APIP

b. Dependent Variable:

Kualitas_Laporan_Keuangan_Pemerintah_Daerah

Sumber : Hasil Output SPSS

Based on the results of testing the coefficient of determination in table 4.28 above, it shows that the adjusted R^2 value is 0.498 which means that the variability of the dependent variable is the Quality of Local Government Financial Reports which can be explained by the independent variable, namely the APIP Capability variable and SPIP Maturity in this study is 49.8% , while the remaining 50.2% is explained by other variables outside the research model including Understanding of Government Accounting Standards, Competence of Human Resources, Use of Accounting Information Systems, Follow-Up on Findings.

IV.II. Hypothesis testing
IV.II.I. Partial Hypothesis Testing (t Test)
This test basically aims to show how far the influence of one independent variable individually in explaining the dependent variable. This can be seen from the significant value t of the calculation results. If the value is sig. t <significant level (0.05), then the independent variables individually influence the dependent variable. Conversely if the value is sig. t> significant level (0.05), then the independent variable individually does not affect the dependent variable. Based on the results of testing using multiple linear regression analysis the following results are obtained:

Tabel 4.30

Pengujian Hipotesis Secara Parsial

Coefficients[a]

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15,056	5,233		2,877	,008
	Kapabilitas_APIP	,264	,131	,374	2,005	,001
	Maturitas_SPIP	,165	,073	,423	2,270	,002

a. Dependent Variable: Kualitas_Laporan_Keuangan_Pemerintah_Daerah

Sumber : Hasil Output SPSS

Based on table 4.30, the partial test results are as follows:
1. Based on the results of the t test (partial) on the regression model, the significance value of the APIP Capability variable is 0.001 <0.05 (the significance level of the research significance). Besides that, it can also be seen from the results of the comparison between tcount and ttable which shows the value of tcount of 2.005, while the t table is 1.706. From these results, it can be seen that t count> t table is 2005> 1.706, it can be concluded that Ha1 is accepted, meaning that partially the APIP Capability variable has a significant effect on the Quality variable of Local Government Financial Statements.

2. Based on the results of the t test (partial) in the regression model, obtained the significance value of the SPIP Maturity variable of 0.002 <0.05 (the significance level of research significance). Besides that, it can also be seen from the results of the comparison between tcount and ttable which shows the value of tcount of 2.270, while the t table is 1.706. From these results it can be seen that t count> t table is 2,270> 1,706, it can be concluded that Ha2 is accepted, meaning that the SPIP Maturity variable partially has a significant effect on the Local Government Financial Statement Quality variable.

Tabel 4.31

Pengujian Hipotesis Secara Simultan

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	346,762	2	173,381	14,369	,000[b]
	Residual	301,666	25	12,067		
	Total	648,429	27			

a. Dependent Variable: Kualitas_Laporan_Keuangan_Pemerintah_Daerah

b. Predictors: (Constant), Maturitas_SPIP, Kapabilitas_APIP

Sumber : Hasil Output SPSS

Based on the results of hypothesis testing (F test) in table 4.31 above, the significance value of the regression model simultaneously is 0,000, this value is smaller than the significance level of 0.05 (5%), which is 0,000 <0,05. Besides that, it can also be seen from the results of the comparison between Fcount and Ftable, which shows that the Fcount value is 14,369 while Ftable is 2,95.

From these results it can be seen that Fcount>Ftable is 14,369> 2,95, it can be concluded that Ha3 is accepted, meaning that together or simultaneously the APIP Capability variable, and knowledge significantly influence the Quality of Local Government Financial Reports.

V. CONCLUSIONS AND RECOMMENDATIONS
V.I. Conclusion
Based on the results of this study, it can be concluded as follows:
1. Capability of the Government's Internal Supervisory Apparatus has a significant influence on the quality of the report on the finance of the local government. This indicates that an increase in the level of capability of the Organization of the Government's Internal Supervisory Apparatus in a Regional Government is very important, in other words if the level of capability of the Government's Internal Supervisory Apparatus increases, the quality of Local Government Financial Reports will increase.
2. Maturity of the Government's Internal Control System has a significant effect on the quality of local government financial reports, this indicates that if the maturity level of the Government's Internal Control System of a Regional Government Increases, the quality of Local Government Financial Reports will also increase.
   3. Capability of the Government's Internal Supervisory Apparatus and the Maturity of the Government's Internal Control System have a significant effect on the quality of regional government financial reports, this indicates if the level of capability of the internal government survisory apparatus system and System maturity level
   Simultaneous Hypothesis Testing (Test F)
   The F test is the goodness of fit that must be done in linear regression analysis. The results of the F test in the study can be seen in table 4.31 below:
   The internal control of the Government of a Regional Government increases, the quality of the Local Government Financial Statements will increase
   Suggestion
   Based on the conclusions above, the authors provide suggestions that might be useful as a basis for consideration or input for other parties, namely as follows:
   1. For Local Governments in West Java
   Based on the results of the study show that there is the influence of the capability of the Government's Internal Supervisory Apparatus and the Maturity of the Government's Internal Control System on the quality of local

government financial reports. But from the individual data the respondent's answers show there are still some weaknesses. Therefore the researcher intends to give advice to the Provincial / Regency / City Regional Government in the West Java region as follows:

1) Increasing the level of capability of the Organization of the Government's Internal Supervisory Apparatus through:

a.   Providing other audit services outside of regular / operational audits such as Performance Audit, and Value for Money Audit.
b.   Require its auditors to attend education and training at least once a year.
c.   Require its auditors to participate and be active in professional organizations that are relevant to audit assignments.
d.   Improve the effectiveness of Audit Report
e.   Increasing the intensity of Consultations for Other Regional Device Organizations within the Regional Government.
f.   Improving the Quality of Shopping Facilities and Infrastructure as supporting the activities of the Auditor.

   2) Increase the level of maturity of the Government's Internal Control System through:

a.   Improve the enforcement of integrity and ethics within the local government.
b.   Improve the understanding of the State Civil Apparatus regarding Risk Management, through education and training and collaboration with the University.
c.   Optimizing the implementation of job requirements and performance standards set by the central government.
d.   Optimizing the separation of functions and authorization for every important transaction and event in the local government.
e.   Develop information technology as a medium of communication and information dissemination, so that the effectiveness of Communication and Information can be further improved.
f.   Reviewing the effectiveness of the government's internal control system for all stages of management both at the level of accounting and reporting entities.

2. For Further Researchers

   For further research, it is recommended as follows:

1) It is expected that the next researcher will not be fixated on only the factors in this study, namely the Capability of the Government Internal Supervisory Apparatus and the Government Internal Control System Maturity, but can add other factors that might affect audit quality as well as Compensation, auditor Integrity, and other factors.
2) Research data for dependent variables (Quality of Local Government Financial Reports) in order to use Audit Opinion by the published BPK - RI.
3) In order for the results of this study to be widely used, then for the next researcher it is expected that the research subject is not only fixated on the Regional Government in West Java, but can use other broader research subjects.

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