

The Influence of the Budgeting Process, the Basis of their Structures of Control Over the Quality of Financial Reporting on Health Hall the Eyes of Its Peopel West Java

Nursito

Lecture, Faculty of Magister Economics Universitas Budi Luhur Jakarta and Universitas Singaperbangsa, Karawang, Jawa Barat, Indonesia

ABSTRACT

The influence of the budgeting process, the basis of their structures of control over the quality of financial reporting on health hall the eyes of its people West Java. This study aims to in order to test the the influence of the budget, and the structure of internal control on the quality of financial reporting on health hall the eyes of its people West Java. The research was being conducted against 111 the smallest number of respondents than percent of the population 250 an officer at health hall the eyes of its people West Java. The test and been approved the questionnaire was also made of 35 the smallest number of respondents before the research was being conducted .A model analysis using spss.

Keywords : The budgeting process, the structure of audits of internal control and the quality of financial reporting

I. INTRODUCTION

The supreme in the audit financial government financial report especially in determining the quality of financial reporting still a bunch of other found. The evaluation of the board are cases accounting weakness and reporting. This is because in government financial report presented data are still many inappropriate. The structure of audits of internal control as a predictable working day from corporate governance that forms the forest law enforcement governance a good land and a organization to show off on doing process the source of its power in the manner of a efficient organization, effective, on the great commission nor productif create adverse effects on the. The budgeting process planning system that will produce the budgeting process that has not been good, and the effectiveness of from planning itself in value based on benefits the planning process the budgeting process, the use of, a revision and conducted meetings, but a more common in was based on the successful

thoroughly of process information in accordance with the description of that reflects the power of relative of individual identification and the involvement of in the budget and the control of such acts. Based on the description above, then done his research on the influence the budgeting process and structure of the internal control on the quality of financial reporting on health hall the eyes of its people West Java. The formulation of a problem that may be prepared is: is any of the budgeting process and structure of the internal control influenced the quality of the internal financial reporting good in full and simultaneous ?

II. THEORY REVIEW

Budgeting

According to Arif (2009: 124) budgeting is the translation of financial resources for various human purposes. BPKP (2010: 28) defines, budgeting is a financial plan that systematically shows the allocation of human resources, materials and other resources.

Participation Budget Arrangement

Participation in the preparation of the budget is a budget process that is top-down or bottom-up, Anthony and Govindarajan (2005: 373). According to Mahsum et, al., (2009: 49) Participation in the preparation of the budget is an important stage because the budget is not effective and not performance-oriented can actually thwart the programs that have been prepared previously.

Budget Discussion

Budget discussion is a series of activities to account for all ideas or ideas activities/programs that will be budgeted and implemented for the progress of the organization David (2009: 157). Hansen and Mowen (2009: 376) the principle of budget discussions is basically how the budget is formed and maintained, then the goal budget is an attempt to discuss the budget is with the effort to push through budget as possible in the proposed budget discussion.

Budget's Utilization

The use of the budget is the authority to carry out activities or programs that have been specified in the form of work budget plan activities. Muslimin (2011: 29). While the use of the budget according to David (2009; 180) is a special authority given by superiors to conduct various activities that have been proposed earlier and carried out responsibly for the progress of the organization.

Revised Budget

A budget revision is a grant of authorization to a revised budget when the original budget has been approved based on a significant basis for changing circumstances. According to Anthony and Govindarajan (2005: 391). Budget revisions can occur because of new developments, as budget changes are the authority of managers or managers to make or otherwise complicate changes in the budget. Siegel (2006: 6)

Budget Realization

It is the level of revenue, expenditure, transfer, surplus/deficit and financing of a reporting entity each compared to its budget (PP 71. Year 2010). According to Mahsum (2009: 155) is a tool for implementing organizational strategy must be prepared with the best in order to avoid irregularities,

Structure of Internal Control

Organizational structure and all the means and the tools used to maintain the security of property belonging to the organization, giving accuracy and correctness of accounting data, promote efficiency in the operation and helps maintain compliance with the policy that has been in charge of management have first. (SAS: 55). The internal control structure should include the basis of policies and procedures designed and used to provide reasonable assurance. Moeller (2009: 33).

The Quality of Financial Reports

Muslimin (2011;142) The quality of financial reporting is degrees achievement of financial reports and financial reporting it self. Based on government no. 71 year 2010. The quality of financial reporting the government is known normative that need to be in information accounting so that it can be fulfill its purpose.

Theoretical Model of Research

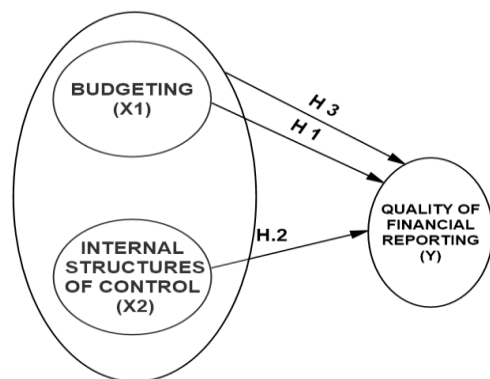


Figure 1. Theoretical Model of Research

The same on the many, can be determined her hypothesis: there are significant impact the budgeting process and structure of the internal controls on the quality of financial reporting good in full and simultaneous. The methodology used in this research is a method of surveying the with the approach to find causal influence among the use of multiple regression. The respondents used a total of 111. This study was conducted in the public health center West Java

III. DISCUSSION

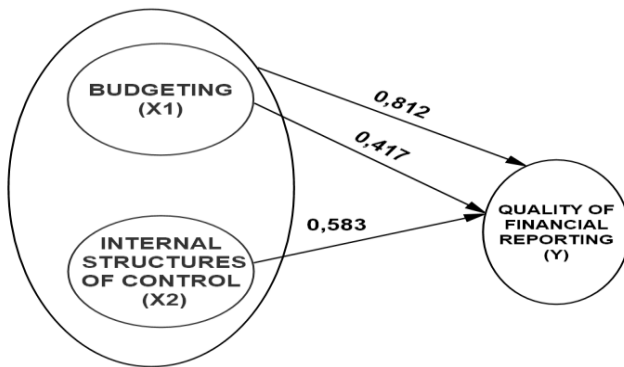


Figure 2. Model the size of the influence

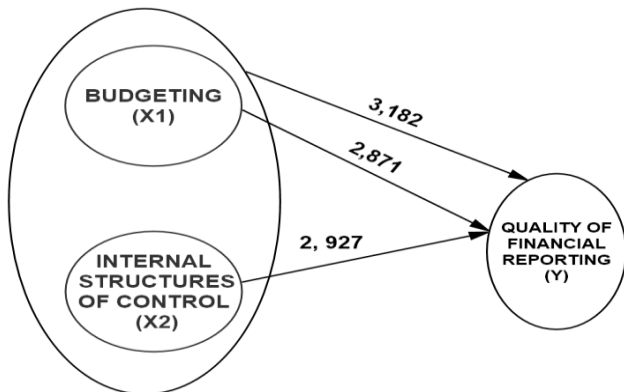


Figure 3. The influence of the value of the size of the model t and F

Seen from the calculation on from the analysis of multiple regression, both variables having influence good, so that it can be said for testing a hypothesis that has been determined.

The results of the analysis

1. The influence of the budgeting process on the quality of financial reporting

Regression value of 0.417 or amounting to 41,7 %, based on value t from the influence of budgeting on the quality of financial reporting is of 2.871 > 2, so that it can be said significant, so in partial budgeting significant on the quality of financial reporting, it means the better budgeting the higher the quality of financial reporting health center eyes of its people areas in West Java.

2. The influence of the structure of internal control on the quality of financial reporting

Regression value of 0.583 or amounting to 58,3 %, based on value t from the influence of structure internal control on the quality of financial reporting is of 2.927 > 2, so that it can be said significant, so in partial structure internal control significant on the quality of financial reporting, it means the better functioning structure internal control the higher the quality of financial reporting health center eyes of its people areas in West Java.

3. The influence of budgeting and struktur internal control simultaneously on the quality of financial reporting

Value the coefficients determination (R^2) as much as 0.812 or amounting to 81,2 %, based on value t from the influence of budgeting and structure internal control simultaneously on the quality of financial reporting is of 3,182 > 2, so that it can be said significant, so simultaneously budgeting and structure internal control significant on the quality of financial reporting, it means the better budgeting and functioning structure internal control the higher the quality of financial reporting health center eyes of its people areas in West Java.

IV. CONCLUSION

1. The budgeting process in full have had a positive impact on the quality of financial reporting and significant. It shows that when the budgeting process well done the more one is both the quality financial reporting.
2. Internal control structure in full have had a positive impact on the quality of financial reporting and significant. This indicates that with the structure internal controls that have been getting better the more one is improve the quality of financial reporting.
3. The budgeting process and structure of the internal control together influenced the quality of the financial reporting. Of both variables considered as partial, it turns out that an internal control structure influential most significant on the quality of financial reporting. This means, that getting better and better and the functioning of internal control structure in the control of the budget the better the quality of financial reporting.

Suggestions

1. The budgeting process having the value of the budget is the lowest average is not fulfilled portray a about the performance of a very strong impact. To improve its budget required to having the ability to perceive the performance by this the use of the budget would reflect the quality of good financial reporting.
2. Having the value of the internal control structure the lowest average is the lack of an organization convey a message that ethics and integrity of the values, sympathetic attitude leaders on the problem of or trouble (empathy) to solving these problems faced by by officials in personal. This will simple in charge of the imparting values ethics and integrity of the organization to increase the

quality of the reports on financial and organisational performance will be better, this is what must not be controled.

3. The quality of having the value of the financial reporting the lowest average is the ease of understood from the wearer to value has been calculated of economic resources that is occupied for governance experience in the implementation of, the result could be achieved in implementation of activities in a systematic and structured on a the reporting period. Thus the achievement of a goal the quality of financial reporting good organization, so will increase organisational performance.

Limitations of Research And Further Research

There are still many another aspect that they could be used as variable this research. So as to allow the outcome of the findings in this research there were still having only a limited number. The limitations come in its industrial activity among others:

1. The limited number of first: instrument was used in the study of the questionnaire was as to collect data. The psychological state of the situation and factors respondents have been quite influential when he gives the answer to a statement that put forward, then made possible produce numbers that is less describe a situation and the conditions are actually.
2. The limited number of both: this research new uses of seven variables (the budgeting process, internal control structure and quality of financial reporting) of detecting and measuring the quality of financial reporting, while according to researchers still variable/factors exist other alleged also contribute to as much as or affect the quality of financial reporting. As for other variables that in intent among others is: a style of leadership, internal audit , professionalism and education and training.

3. The limited third: research was done in a unit of the ministry at the regional level so that it result is (provinces) is not significant .Should be done is broader and more.

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