

**THE EFFECT OF ORGANIZATION COMMITMENT, HUMAN
RESOURCE, REGIONAL REGULATION, INFRASTRUCTURE, AND
INFORMATION SYSTEM ON REGIONAL GOVERNMENT
READINESS IN THE IMPLEMENTATION OF ACCRUAL
ACCOUNTING AND GOOD AND CLEAN GOVERNANCE (GGC)**

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ABSTRACT

The regulations which born related with financial management has many implications and must be addressed well and early. The regulations which born related with financial management are including regulations on planning management and budgeting, budget implementation, reporting, accountability, internal information system and financial report examination. All of that regulations must be well addressed by regional governance.

The purpose of this study are to acquire empirical proof on which factors that must be addressed and prepared by regional governance in order to implemented accrual accounting based financial report. The factors or variables that we tested are limited on organization commitment, human resource, regional regulation, infrastructure, and information system as independent variable on the dependent variable of regional government readiness in the implementation of regulations especially the ones related with accrual based accounting and good and clean governance (GGC).

The results of this study reveal that organization commitment, infrastructure, information system, and regional regulation has a significant amount of impact on regional government implementation of accrual based accounting. Also, regional government readiness does not have any result on good and clean governance (GGC).

Keywords: Accrual Based Accounting, Organization Commitment, Human Resource, Regional Regulation, Infrastructure, Information System, Government Readiness and Good and Clean Government.

A. Background

Indonesia has already published many regulations that regulate regional government financial management. The regulations including regional development planning, regional government financial management, regional assets/object management, organization structure and regional government working procedure, regional government internal control and financial examination. This is without a doubt must be prepared well by regional government in order to be well implemented those regulations.

One of the regulation that related in the regional financial management is the regulation on the implementation of accrual based accounting. The minister of internal affair regulation number 64 year 2015 on the implementation of accrual based accounting need the the financial management on every regional government must applying accrual based accounting record. Accrual base need the recording based on the moment economical transaction occur even though there are not yet any income or outcome of cash. This of course need the human resource that understand the basic of accounting. Not every regional government have their own accountant or human resource that understand accrual based accounting.

For regional government this must be addressed seriously well and early. This implication will be impacted the human resource included in regional financial management. The regional financial manager that impacted are financial officer manager (PPK), regional working unit and staff, and regional financial officer manager and staff. Also accrual based accounting implication must be understood by treasurer of income, outcome, subsidiary treasurer and other official related with financial management on regional government. All of those official must be fully prepared well so they won't become a fatal flaw on year end audit.

In order to conducted regional financial management well and credibelly, then we must have a base law in form of regional regulation in term of basics of regional financial management. Regional regulation (Perda) are the product of regional law that become the highest regulation on the region. Regional leader regulation become the descendant of the regional regulation. Regional leader regulation are necessary to conduct a regional regulation. Perda is only a macro. Leader regulation about system and procedure of financial management become a descendant product of perda regional financial management. Furthermore, accounting regulation must also regulated in the regional leader regulation. Beside the regulation aspect as the foundation law then the regional government must also

arranged a supporting infrastructure in order to implementing regional financial management regulations.

The infrastructure on regional government must be prepared in order to support the implementation of many regulations. The supporting infrastructure including necessary hardware for implementing information system. Those hardware including software supporting instalation network in form of financial management app. Regional government organization have a very broad management area. Fo that, we must considered a networking aspect or information system instalation for all SKPD with a large area.

Aside from hardware, the regional government also need software. Regional financial management implementation need a large amount of devices, they also need to arrange and developed a regional financial management information system. The current existing information system are produced by private professionals, ministry of internal affairs even produced by government internal inspector, the government financial inspector organization (BPKP) and even the regional government that have the human resource capable to expand it self.

The government must ready to carry out the existing regulations and deadline. This need commitment whether from the regional leaders or all the stake holders on the region. The government readiness in implementing regulations of regional financial management hold the red line in the government program for good and clean governance (GCG). This because of many changes and variable upgrading that had been mentioned before will be increasing many component of GCG. This is of course expected along with the rise of people demand regarding the transparation and accountability of regional governance in the managerial development aspect especially regional financial management.

B. Literature Review, Framework and Hypothesis

1) Agency Theory

The separation between owner and management in accounting literature are called agency theory. This theory is one of the theory that shows in accounting research development and the financial accounting model development with the add of human behavior in economic model agency theory based on contracted relation between stock holder/owner and management/manager. According to the theory, relation between owner and management are hard to created based on the opposite purpose from each other.

In agency theory, agency relation shows when one or more (principal) hired others (agent) to provide service and given the authority to make regulations. The relation of principals and agents could lead to the information asymmetrical for the agents are in the position that have more information on the corporation than the principals. With the assumption that each individuals act for their own will, meaning that the asymmetrical information that they have will make them to hide some information from the principals. In that asymmetrical condition, agents could manipulate accounting numbers provide in financial report with initiate profit management. Regional governance act as agent.

2) Supporting Theory

a) Organization Commitment

commitment is a condition where the individual took part of certain organization along with it's purpose and will in order to maintain their position in that particular organization (Robbins and Judge : 2007). Organization commitment is a condition where the employee is highly intrigued with the purpose, value, and idea of the organization (Supriono:24). Furthermore, organization commitment also describe how far someone identify and tangle himself on that particular organization and his will to be the part of it.

b) Human Resource

Human resource is each and every man that concluded in the organization in order to achieve it's goal (Hasibuan S. M.,2002). Furthermore, the definition of human resource divided by two catagories; micro and macro. Human resource in macro are every man as citizen of a country on certain region that already in working age, whether if they are employed or unemployed. Where the definition of human resource in micro simply every man or people that worked or took part on an organization.

c) Regional Regulations

the regulations that we meant are the regional regulations. Regional regulations are the regulation which are made by DPRD with the approval of the regional leader, including Qanun which come from Nanggroe Aceh Darussalam Province and Providential Regulations (Perdasi) from Papua Province (Kemendagri,2006).

d) Regional government Infrastructure

Infrastructure are the main supporter of the social and economic system functions in people's everyday life. Infrastructure system define as basic facility or structures, devices, instalations which built and needed in order to run the social and economic system in society (Grigg,2000). Infrastructure are the main supporter of the implementation of accrual based government accounting system in order to fluently implementing accrual based SAP.

e) Information System

System mean components or elements which retangulated on each own in order to achieve certain purpose. Information are the useful data that used as basic tools of decicion making (Bodnar and Hopwood:1996). Information system are internal control system that sufficient to give a reassured will of organization through an effective and efficient ways, reability, financial reporting, government asset supervising and the obey of laws (Muhtar:2002)

f) government Readiness

Regional government readiness means the readiness of employee and leaders in order to implementing accrual based SAP and also the readiness of infrastructures in planning, commencing, reporting to responsibility stage and also the consultant support.

g) Good and Clean government

The principles which marked the difference on traditional government conception are on the strong demand for less government part and more on the people (including business and non government organization). Here are when UNDP (1997) explain some principles that must be implemented and developed for better government:

1. Participation

All citizen have right to take part in the regulation decision, which landed on freedom to gather and voice their thought, and the capacity to take part in action constructively.

2. Rule of law

The process to be good governance must be offset with commitment for law enforcing (gakkum), with; a) law supremacy, b) law certainty, c) responsive law, d) a consistent and non discriminative law enforcer, and e) justice independency

3. Transparency

A transparency on governing. In order to eliminate corruption required transparency in transactions and nations financial management, also the public sector management.

4. responsiveness

Sensitive and quick for managing people's problem. The government must have individual, and social etique code. On formulating social development, the government must noted the cultural characteristic and more civil to the people.

5. consensus orientation

The decision making through discussion and as majorly accepted as possible.

6. equality and justice

The equality in action and service. government must give an equal treatment and service with justice and honesty.

7. effectiveness and efficiency

Resourceful and effective. The effectiveness is measured with a product parameter that can reach maximum effect on people's need on every class and group. Efficiency is measured with the rationality of development cost in order to fulfill people's demand. The government must be able to arrange the corresponded plan that can fulfill the people's need with rational and effective.

8. Accountability

Public officer responsibility to the people that has been given authority of them. There are vertical accountability (authorither with people) and horizontal accountability (equal).

9. Strategic vision

A strategic vision to face the people for the leaders and public. This is important, because every nation need to have sensitivity on changes caused by technology, in order to formulating many regulations to solve the problems.

Is process and structure that been used to managing business (activity) and corporate activity (entity) in order to enhance business prosperity (activity) corporate (entity) with main concern to cognize the other stake holder's purposes (MFCCG,1999).

3. Study Hypothesis

With the background above, some hypothesis that has been arranged are:

H0:

There is no correlation between organization commitment, human resource, regional regulation, regional government infrastructure, and information system

variable with regional government readiness in order to applying accrual based accounting.

H1:

There is correlation between organization commitment variable with regional government readiness in order to applying accrual based accounting.

H2:

There is correlation between human resource variable with regional government readiness in order to applying accrual based accounting.

H3:

There is correlation between regional regulation variable with regional government readiness in order to applying accrual based accounting.

H4:

There is correlation between regional infrastructure variable with regional government readiness in order to applying accrual based accounting.

H5:

There is correlation between information system variable with regional government readiness in order to applying accrual based accounting.

H6:

There is correlation between regional government readiness in order to applying accrual based accounting variable with good and clean governance.

C. Study Methodology

1) Population and sample

49 SKPD regional office working unit on Palembang City. We are using purposive sampling method to every regional office working unit (PKK-SKPD), PKK-SKPD staff, treasurer (income and outcome) subsidiary treasurer and financial staff (treasurer subsidiary).

2) Study nature

The nature of this study is empirical qualitative. The instrument that we used are questionnaire with Likert scale. Liert scale has from 1 to 5 range. The analysis instrument that we used are GSCA (Generalized Structured Component Analysis). GSCA was developed by Heungsun Hwang on 2004 and was the method that had a purpose to decrease the deficiency on Partial Lest Square, GSCA was equipped with global optimized procedure while maintaining local optimized procedure like on PLS. Moreover, GSCA top eminence is that it can be used on structural model with rekursive and non rekursive nature with reflective and normative indicator model.

3) *Previous Studies*

We have already conducted literature studies regarding the theme of our study, previous studies that we have found are:

Name/Year	Title/Sources	Results
Adriana Tiron Tudor Assoc. Prof. Phd, Alexandra Mutiu Lect. Phd 2006	Cash Versus Accrual Accounting In Public Sector www. Researchgate.net /publication/studiaUniversitatis Babes - Bolyai. Oeconomica	EU encourages the candidate states to adopt the accrual accounting system for the public sector, which is why Romania adopts the accrual accounting system in the public sector starting with the year 2006.
ZakiahSalehdan Maurice W Pendleburry 2006	Accrual accounting in overnment - Developments in Malaysia	The determining factors that influence government accounting are; the increasing of profesional, technology, people demand, financial crisis and demand from debtor
FeniWilamsari 2009	Influence of good corporate governance to the performance of regional government (empirical study on Probolinggo City government)	Regression analysis shows that transparency, accountability, responsibility and fairness variable has a positive impact to the performance of Probolinggo City government. This is because GCG is a system on organization that has a purpose to reach a maximum performance of an

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		organization with a ways that doesn't harm other officials related with them.
JutaTikk 2010	Accounting Changes in The Public Sector in Estonia	The initiation of accrual based accounting system for public sector in Estonia
MayliaPramono Sari Raharja 2011	The role of internal audit in the realization of good corporate governance in general service entity on Indonesia	There is an effect that occur by audit of internal audit to the GCG mechanism
Clestus O. Akenbor (PH.D) 2012	Public Sector Accounting System in Nigeria: A Comparative Study of Cash-Basis and Accrual-Basis of Reporting	The findings recommended the adoption of accrual basis of accounting in public sector entities in nigeria
M. Dhairolly 2012	The application of accrual basis on indonesia governance standard	The advantages, disadvantages, opportunity and challenge aspects. And what strategies that had been done in the application of accrual basis in Indonesia
Ardiansyah 2013	Factors affecting the readiness of PP no 71.tahun 2010 about	The methods that been used in this study are quantitative method with study design of

	government accounting standard (cases Study on Working unit in KPPN Malang's Working Area)	survey. The variable are human resource quality, organization commitment, and communication
BettiHerlina (2013)	Analysis of factors that influencing regional governance readiness in the implementation of PP 71 year 2010 (empirical study on Kabupaten Nisa Selatan)	Analyzing factors that influencing governance readiness in the implementation of new regulation, the factors are skill, behaviour, and information
RirizSetiawati Kusuma 2013	Analysis of governance readiness on implementing accrual based governance accounting standard	The governance commitment are ready, while human resource, infrastructure, and information system are acceptable
Sandra NurFitri 2013	Evaluation of the implementation of accrual based governance accounting standard on regional governance financial report on Bandar Lampung City governance	Results shows that Bandar Lampung governance has implemented accrual basis since 2013. the regulation transition are relatively short, information and socialization are slow, the complexity of accrual based financial report, and the lack of fully functioning accrual based financial report are the

		problem on implementing accrual basis. The solution that Bandar Lampung officials made are the socialization of accrual basis for the working units, increasing the capacity of human resource by doing time to time workshop, increasing of teamwork between all work unit, and consulting with other more experienced entities
HettiHerlina 2013	Analysis of factors that determined regional governance readiness in the implementation of PP 71 year 2010 (empirical study : Kabupaten Nias Selatan) Universitas Negeri Padang	Result shows that the readiness of the governance in implementing new regulations determined by information, behaviour, and skill. The advice for this study are; regional governance must address factors that determined their readiness in implementing pp 71 year 2010. the factors are leaders commitment, and resistency on changes
Fenti Nano Putri 2014	Analysis on the readiness of East Java Province in implementing accrual	To understanding the readiness to implementing accrual based pp 71 2010 that cannot be fully implemented

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	based accounting standard	for many reasons
Kamal DwiRasyid 2014	Analysis of the difference of governance accounting standard cash forward accrual based with accrual based (PP No 71/2010) (case study in Kota Batu governance)	Analyzing the difference between governance accounting standard cash forward accrual based with accrual based and discussing admitting, formulating and revealing
M. MashudiArif HendrawanSantosa Putra TaufikKurrohman 2014	Analysis of the readiness of regional governance in the implementation of accrual based government accounting standard Accounting journal	Quality and quantity of the competent human resource that understand accounting in general are lacking, the socialization of accrual accounting are needed, the commitment, human resource, infrastructure and information system are needed
KalsomSalleh, RozainunAb Aziz, Y Nurli Abu Bakar 2014	Accrual Accounting In Government: Is Fund Accounting Still Relevant?	Malaysia's New Economic Model (NEM) recommended the adoption of accrual accounting for prudent fiscal management and performance measures in the public sector. With the planned adoption of accrual accounting for Federal

		<p>Government in Malaysia is in 2015, it is hoped that the findings of this study can help the AGD to evaluate the relevance of Fund Accounting concept for its transformation process towards accrual basis of government accounting and financial reporting. Accrual accounting can effectively complement outcome based budgeting in the results framework to provide the relevant cost data and information to make public policy decisions that maximizes the outcome of scarce resources.</p>
<p>Amir AzadiMarand, Mehdi Shabani Mahmoud Hnema 2014</p>	<p>The Effectiveness Of Replacing Accrual Instead Of Cash Base In The Public Sector Accounting And Budgeting</p> <p>Indian Journal of Fundamental and Applied</p>	<p>Evaluate the relationship between the implementation stages of accrual accounting and government budgeting principles, this paper reviews the nature, advantages and disadvantages of accrual and cash accounting systems; the possible models of connection between accounting and</p>

		budgeting; the need and process of reforms in the public sector budgeting and accounting system. At the end 3 different models of public sector accounting and budgeting (Slovenia, Croatia-Serbia) are also analyzed. No doubt the above assessment of the accounting and budgeting models can be useful for other countries.
Sofia Dora 2014	Analysis on the readiness of the government on the implementing accrual based governance accounting standard (case study on Medan City Governance)	Based on data analyzing shows that the readiness of Medan City BPKD are formulated by commitment, human resource, infrastructure, and information system and identified ready
Randy ImanWindiarto 2015	Analysis of the correlation of the implementation of GCG principles and organization commitment on the performance of	The data are formulated with double regression analysis. The result shows that 75,9% of the officials performance are affected by GCG principles and organization commitment. And the rest 24,1% are affected

	governance officials	by variable outside of the models. T result test indicated that GCG principles and organization commitment are affecting the governance performance
AdityaRachman Prasetyo 2015	The effect of human resource, information technology, accounting internal control and good corporate governance to the time and skill of the governance financial reporting	The result of hypothesis test are; first, information technology, accounting internal control, and GCG has a positive results in the quality of financial report, while human resource are not. Second, either human resource capacity, information technology, and GCG has a positive impact in the time of financial reporting
FriskaLangelo, David Paul EliaSaerang, Stanly Winylson Alexander 2015	Analysis of the implementation of accrual based governance accounting standard in the financial report of Bitung City Governance	Result shows that Bitung City governance has not yet implementing PP No 71 year 2010 but already implementing PP No 24 year 2005 that using cash based to the accrual based, there are trouble on the progress like the human resource and the untested infrastructure. The improvement on the

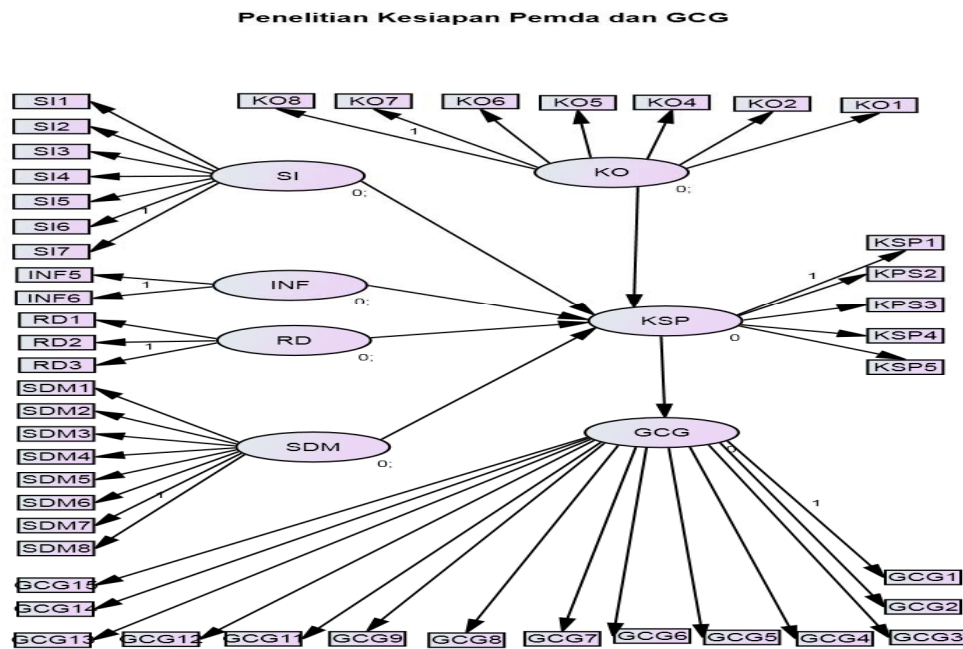
		infrastructure and human resource are needed
Ni Made Ari Widyastuti, EdySujana, I Made PradanaAdiputra 2015	Analysis of the readiness of regional governance in order to implementing accrual based accounting standard in KabupatenGianyar	Result show that; 1. KabupatenGianyar has not yet been ready because they are still in learning process in implementing accrual basis, 2. Sia readiness shows that there are already system called SIMDA that been used in Gianyar financial report, and 3. organization commitment are very supportive in order to implementing accrual basis
EndangKristiawati 2015	Factors that influencing the success in implementing accrual based accounting in Kalimantan barat Governance	The study analysis purpose is to understand the capacity of Kalimantan Barat governance in implementing regional accrual based accounting, although it's not yet been fully comprehensive. From the data analysis there are some factors that influencing the most for the implementing of accrual based accounting in Kalimantan Barat that is; commitment, human resource, and supportive tools

<p>DwiSusanto, MSI, Ak CA DrDjuminah, MSi, Ak 2015</p>	<p>The Usefulness of Local Government Financial Statements for Regional Development Planning Process (An Empirical Study Against the Head of the District Development Planning Agencies in Java and Madura)</p>	<p>The result reveals that in the process of formulating the regional development plans, LRA (the report of budget realization) and REP (the ratio of income efficiency) are the financial statement element and the financial ratio which have the highest degree of usefulness. In addition, this study also reveals that the financial statement elements and financial ratios resulting from the cash-based accounting system have higher degree of usefulness rather than resulting from the accrual-based accounting system.</p>
<p>SelvinaSitorus, LintjeKalangi Stanley KhoWalandouw 2015</p>	<p>Analysis on the readiness of implementing of accrual based governance accounting standard based on PP No 71 year 2010in Tomohon City</p>	<p>DPPKBMD as the regulator of regional financial in Tomohon City has not been ready in implementing accrual bases regional accounting standard</p>

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3) Study Design

Study design that we used based on our hypothesis are tiered study. This study are testing how much the influence of organization commitment, human resource, regional regulation, regional governance infrastructure, and information system as independent variable to the readiness of regional governance in order to implementing accrual based regional accounting system as dependent variable. Furthermore, we also tested the influence of the governance readiness to the creation of GCG. The relation of variables that we used could be described by the following illustration:



D. Discussion

After through data analysis we have some result from the GSCA application based on component. GSCA considered have better recovery parameter compared with other SEM methods because it does not based

from many assumption, the data doesn't have to be normally multivariate distributed (indicator with categorized scale, ordinal, interval, till ratio could be used by the same model), the sample doesn't have to be large. GeSCA could also used to explain the correlation between laten variable (Aprilia & Ghozali, 2013:7).

GeSCA model evaluation had done in three steps, first measurement model evaluation (outer model) by examining convergent validity, discriminant validity, composite reliability, and average variance extracted (AVE). the second step is to evaluate structural model (inner model)with examining line coefficient of exogenous variable to the endogenous variable and see the signifficancy grades. Third step is to see the overall goodness fit model with FIT, AFIT, GFI, and SRMR.

Goodness of fit identification

Thorough model evaluation with GSCA can be seen on table 1. on Fit Model. FIT model shows the correlation of every models and model's correspondency to explain the problem. The guidance grade based on GSCA are 0-1. the closer the grade to 1 the better the model. It means 0,526 could be appgradeed as the represented model in explaining models correspondency to the problem. This means orgsnization commitment, human resource, regional governance infrastructure, information system, regional regulation, and good and clean governance could explain the 52,6% while the rest 48,4% explained by other variables. As though as 0,517 AFIT grade show the corrected FIT grade with par result.

GFI as unweighted least square and SRMR (standarized root mean residual) both has proportional part in the difference of variant and co variant resulted by estimated parameter from GSCA. A good GFI is >0,9 or close to 1 and SRMR are close to 0 or $\leq 0,8$.therefore the 0,201 are considered acceptable.

Therefore the thoroughly composed model are considered good and representative for the problem that we study.

Table 1.

FIT Model	
FIT	0.526
AFIT	0.517
GFI	0.999
SRMR	0.201
NPAR	20

Source : researcher 2016

NPAR score only show the number of free parameter including weight, loading and path coefficients

Indicators identification

The next evaluation is to the indicator's quality. VE grade shows the same result with composite reliability but tend to be more conservative with suggestive role grade bigger than 0,50 while if we use cronbach alpha the suggestive grade is bigger than 0,70.

Table 2.Measurement Model Summary

No	Variable	AVE	Alpha
1	Organization commitment	0,321	0,668
2	Human resource	0,359	0,743
3	Regional regulation	0,690	0,771
4	Regional governance infrastructure	0,443	0,746

5	Information system	0,479	0,812
6	Regional governance readiness	0,488	0,725
7	Good and Clean Governance	0,309	0,827

Source: Researcher 2016

If we use cronbach alpha approach as in table then all variable has more than 0,7 grade. This is indicated that every variable had reliability grade as calculation basic to calculating studied model. Although if we use AVE grade, the only qualified grade is regional regulation variable in 0,690. we use cronbach approach and give note to AVE for future studies.

Composite Reliability result are described in table 3. the measurement model is as shown in table 3:

Table 3. Measurement Model

Variable	Loading			Weight			SMC		
	Estimate	SE	CR	Estimate	SE	CR	Estimate	SE	CR
KO	AVE = 0.321, Alpha =0.668								
KO1	0.676	0.064	10.52*	0.261	0.032	8.17*	0.458	0.085	5.4*
KO2	0.575	0.112	5.13*	0.220	0.037	6.01*	0.331	0.118	2.8*
KO3	0.500	0.092	5.43*	0.191	0.035	5.53*	0.250	0.089	2.82*
KO4	0.707	0.048	14.77*	0.267	0.039	6.79*	0.500	0.067	7.41*
KO5	0.390	0.097	4.0*	0.160	0.040	3.97*	0.152	0.072	2.12*
KO6	0.456	0.074	6.14*	0.188	0.038	5.01*	0.208	0.067	3.11*
KO7	0.534	0.093	5.73*	0.212	0.031	6.77*	0.285	0.093	3.08*
KO8	0.620	0.092	6.77*	0.244	0.029	8.52*	0.384	0.104	3.68*

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SDM	AVE = 0.359, Alpha =0.743								
SDM1	0.661	0.059	11.2*	0.231	0.022	10.54*	0.436	0.076	5.74*
SDM2	0.541	0.090	6.01*	0.195	0.029	6.72*	0.293	0.092	3.2*
SDM3	0.686	0.053	12.9*	0.233	0.022	10.53*	0.471	0.072	6.51*
SDM4	0.704	0.045	15.69*	0.247	0.027	9.21*	0.495	0.063	7.92*
SDM5	0.512	0.107	4.79*	0.173	0.029	5.92*	0.262	0.096	2.74*
SDM6	0.539	0.081	6.61*	0.186	0.029	6.52*	0.290	0.081	3.58*
SDM7	0.580	0.071	8.16*	0.195	0.033	5.91*	0.336	0.083	4.04*
SDM8	0.539	0.087	6.18*	0.196	0.031	6.34*	0.291	0.087	3.33*
INF	AVE = 0.443, Alpha =0.746								
INF1	0.722	0.060	12.0*	0.262	0.028	9.39*	0.521	0.083	6.25*
INF2	0.584	0.157	3.73*	0.212	0.050	4.24*	0.341	0.141	2.42*
INF3	0.658	0.058	11.32*	0.236	0.036	6.54*	0.432	0.077	5.65*
INF4	0.463	0.158	2.93*	0.182	0.054	3.34*	0.215	0.112	1.92
INF5	0.766	0.050	15.43*	0.299	0.033	9.15*	0.587	0.075	7.86*
INF6	0.749	0.047	16.06*	0.292	0.034	8.69*	0.561	0.068	8.28*
SI	AVE = 0.479, Alpha =0.812								
SI1	0.780	0.037	20.88*	0.225	0.024	9.48*	0.608	0.058	10.42*
SI2	0.656	0.058	11.25*	0.201	0.018	10.88*	0.430	0.073	5.87*
SI3	0.557	0.070	7.98*	0.175	0.022	7.97*	0.310	0.075	4.14*
SI4	0.655	0.055	11.85*	0.174	0.018	9.74*	0.429	0.071	6.07*
SI5	0.802	0.044	18.3*	0.255	0.018	14.13*	0.643	0.068	9.52*
SI6	0.704	0.045	15.63*	0.201	0.015	13.03*	0.496	0.063	7.94*
SI7	0.658	0.055	12.0*	0.206	0.018	11.31*	0.433	0.070	6.18*

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AVE = 0.690, Alpha =0.771									
RD									
RD1	0.846	0.026	32.75*	0.410	0.018	22.83*	0.716	0.044	16.43*
RD2	0.746	0.045	16.69*	0.345	0.016	21.23*	0.557	0.066	8.49*
RD3	0.892	0.017	52.09*	0.443	0.024	18.5*	0.796	0.030	26.11*
AVE = 0.488, Alpha =0.725									
KSP									
KSP1	0.575	0.071	8.11*	0.269	0.033	8.05*	0.330	0.079	4.21*
KSP2	0.628	0.080	7.84*	0.241	0.037	6.45*	0.395	0.094	4.21*
KSP3	0.756	0.043	17.48*	0.327	0.032	10.11*	0.571	0.065	8.85*
KSP4	0.754	0.049	15.3*	0.305	0.032	9.52*	0.569	0.072	7.86*
KSP5	0.757	0.044	17.09*	0.286	0.033	8.58*	0.573	0.065	8.78*
AVE = 0.309, Alpha =0.827									
GCG									
GCG1	0.270	0.111	2.42*	0.059	0.025	2.38*	0.073	0.059	1.23
GCG2	0.540	0.093	5.78*	0.116	0.024	4.8*	0.291	0.098	2.97*
GCG3	0.503	0.095	5.29*	0.108	0.023	4.81*	0.253	0.088	2.89*
GCG4	0.390	0.091	4.31*	0.085	0.019	4.5*	0.152	0.069	2.21*
GCG5	0.628	0.061	10.27*	0.136	0.013	10.48*	0.395	0.074	5.36*
GCG6	0.639	0.091	7.05*	0.138	0.021	6.66*	0.408	0.110	3.7*
GCG7	0.625	0.067	9.29*	0.135	0.014	9.31*	0.391	0.082	4.78*
GCG8	0.508	0.085	5.95*	0.110	0.016	6.74*	0.258	0.084	3.05*
GCG9	0.479	0.131	3.66*	0.103	0.026	3.92*	0.230	0.108	2.12*
GCG10	0.359	0.126	2.85*	0.078	0.026	3.0*	0.129	0.082	1.57
GCG11	0.398	0.135	2.95*	0.086	0.026	3.26*	0.158	0.098	1.62
GCG12	0.614	0.054	11.3*	0.133	0.012	10.98*	0.377	0.064	5.89*

GCG13	0.651	0.061	10.66*	0.140	0.016	8.96*	0.424	0.074	5.75*
GCG14	0.778	0.028	27.84*	0.168	0.015	10.91*	0.606	0.044	13.91*
GCG15	0.700	0.046	15.26*	0.151	0.016	9.4*	0.491	0.064	7.61*

CR*=significant at .05 level

Source: researcher, 2016

It can be concluded that the relation between independent and dependent variable are generally positive and significant with the exception of organization commitment (KO).

R Square grade evaluation

R square show how big the correlation between variable. As shwoen in table 5. R Square of latent variable then the result is the readiness of regional governance are explained by 5 variable with 0,352 and the rest with other variables.

Table 5. R Square of Latent Variable

R square of Latent Variable	
KO	0
SDM	0
INF	0
SI	0
RD	0
KSP	0.352

Source: Researcher, 2016

Table 6. Means Score

Means Scores of Latent Variables	
KO	4.171

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SDM	4.157
INF	4.162
SI	4.209
RD	4.099
KSP	4.202
GCG	4.183

Source: Researcher, 2016

Table 7. correlation between variables

Correlations of Latent Variables (SE)							
	KO	SDM	INF	SI	RD	KSP	GCG
KO	1	0.535 (0.102)*	0.480 (0.115)*	0.022 (0.091)	-0.027 (0.086)	-0.049 (0.082)	0.080 (0.084)
SDM	0.535 (0.102)*	1	0.576 (0.090)*	0.113 (0.096)	0.057 (0.073)	0.182 (0.073)*	0.097 (0.080)
INF	0.480 (0.115)*	0.576 (0.090)*	1	0.159 (0.091)	0.234 (0.066)*	0.278 (0.072)*	0.014 (0.088)
SI	0.022 (0.091)	0.113 (0.096)	0.159 (0.091)	1	0.347 (0.070)*	0.463 (0.071)*	0.076 (0.078)
RD	-0.027 (0.086)	0.057 (0.073)	0.234 (0.066)*	0.347 (0.070)*	1	0.430 (0.063)*	0.024 (0.085)
KSP	-0.049 (0.082)	0.182 (0.073)*	0.278 (0.072)*	0.463 (0.071)*	0.430 (0.063)*	1	0.009 (0.082)
GCG	0.080 (0.084)	0.097 (0.080)	0.014 (0.088)	0.076 (0.078)	0.024 (0.085)	0.009 (0.082)	1

* significant at .05 level

Source: Researcher, 2016

Hypotesis and line coefficient test result and GSCA output result.

The path coefficient resulted that there are acceptable and unacceptable hypothesis. This is shown from coefficient path score and CR score shown on table 8. below.

The correlation between organization commitment (KO) with the government readiness has a significant CR score and support (H1) hypothesis. correlation between human resource (SDM) with government readiness has an insignificant correlation and does not support (H2) hypothesis. correlation between infrastructure (INF)) with government readiness has a significant CR correlation and support (H3) hypothesis. The correlation between information system (SI) with the government readiness has a significant CR score and support (H4) hypothesis. The correlation between Governance readiness with the government readiness has a significant CR score and support (H5) hypothesis. Correlation between regional regulation with Good and clean government does not have a significant CR correlation and does not support (H5) hypothesis. With so H0 are rejected because there is no correlation between dependent and independent variable as whole.

Table 8. Hypothesis test and GSCA output result line coefficient

Direct Influence	Path Coefficient	CR	Empirical	Evidence
KO → KSP	-0.212	2.34*	Significant	Accepted
SDM → KSP	0.134	1.4	Tidak Significant	Rejected
INF → KSP	0.190	1.91	Significant	Accepted

SI → KSP	0.333	4.05*	Significant	Accepted
RD → KSP	0.257	3.49*	Significant	Accepted
KSP → GCG	0.009	0.11	Tidak Significant	Rejected

Source: Researcher, 2016

E. Conclusion

After we process the data and finished the study we have some conclusion that made regarding the study. The models as whole has represented the problem of the study. Aside, we have the result that the correlation between dependent and independent variable has vary relation. Organization commitment, human resource, infrastructure, information system, and regulation has an effect to regional governance readiness. This is shown by the significant critical factor.

Human resource variable does not have effect to the regional government readiness in order to implementing accrual based accounting standard. This is possible because human resource aspect on the sample received have sufficient experience variable regarding accounting skill.

F. Suggestion

We suggest that the next study pay more attention to other variable and factors. The determination of other variable and factors must consider the condition of study subject or population especially on sample. This is meant to get more maximum result.

Furthermore, we must considered moderating or intervening variable aside of dependent and independent variable. This is for better and

conscientious study in the future. Also the correlation between dependent and independent variable must be directly considered.



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