FACTORS THAT INFLUENCE FINANCIAL REPORTING ON THE INTERNET BY LOCAL GOVERNMENT

(Studies on second-level regional governments on the island of Sumatra in 2015-2017)

DINIYAH NURFAULINA

diniyahnf21@gmail.com

Universitas Muhammadiyah Yogyakarta

Abstract

This study aims to examine the effect of regional income, regional expenditure, the number of DPRD members, population and debt financing ratio (leverage) on financial reporting on the internet by the second level local government on the island of Sumatra. The population in this study were all level II regional governments on the island of Sumatra. Sampling in this study used a purposive sampling method so that a total of 405 was obtained. The method used was logistic regression.The results showed that regional income variables, regional expenditure and the number of DPRD members had an effect on financial reporting on the internet while population variables and debt financing ratios did not show any influence on financial reporting on the internet.

Keywords: Regional income, regional expenditure, number of DPRD members, population, debt financing ratio (leverage)

Introduction

In the past decade, local governments have undergone a transformation in fulfilling their accountability obligations. Previously, financial reporting produced in the form of paper became web-based financial reporting that can be accessed by all people wherever and whenever. The internet has contributed greatly to its developments in the local government. The presence of the internet has removed boundaries and distance from the availability of information. The internet can be used as a medium in finding and exchanging information.

In 2016 according to the Association of Indonesian Internet Service Providers, internet users in Indonesia had reached 132.7 million with the main reason for accessing the internet was to find information (https://apjii.or.id/downfile/file/surveipenetrasiinternet2016.pdf). The growth of the volume of information access available on the internet requires local governments to provide financial information that can be easily accessed to create accountability. Accountability is considered important because it is a form of accountability of an institution for its administrative system.

The use and development of the internet in delivering information is one way that can be done by local governments to publish their financial reports in order to create a public body that is transparent and responsible for any information. This is also contained in Law No. 14 year 2008 concerning public information that must be open and can be accessed by every user of public information. Research conducted by Arifin & Rosita, (2017) states that local governments should be more transparent in providing information to the public so that people can easily access the websites that have been provided. This can encourage the interest of the community to be able to participate in government programs.

Financial reporting on the internet is actually a way for local governments to be legitimate, meaning that with financial reporting on the internet the local government can convince the public and stakeholders that the administration of the government runs in accordance with the rules of Alhajjriana et al., (2014). Financial statements are also a form of government accountability to the public in informing their financial performance in a period. The regional government is still minimal to provide access to the public in conveying information related to the budget and financial statements that are the rights of the community. This can be one of the obstacles remembering the large population and large area. There are several factors that are thought to influence local governments in disclosing their financial statements

Regional income according to Law No. 32 year 2004 is all regional rights that can be recognized as an increase in net worth in a certain budget period. High regional income should be managed properly by the local government and can be proven through financial statements. The Alhajjriana et al., (2014) study shows that regional income does not affect financial reporting on the internet while the Pratama et al. (2015) study shows that regional income influences the disclosure of financial information on the internet.

Regional expenditure according to Law No. 58 year 2005 concerning Management of Regional Finance is "the obligation of regional government which is recognized as a deduction of net worth". The Alhajjriana et al., (2014) study shows that regional spending influences financial reporting on the internet. Regional expenditures that can be appropriately allocated to expenditure items needed by the community can encourage positive growth in an effort to improve the welfare of the people of Zebua, (2014). The results of research conducted by Alhajjriana et al., (2014) and Pratama et al., (2015) show that regional expenditure has a positive effect on financial reporting on the internet. Regional expenditure can be used as an indicator in measuring the level of disclosure of financial information on the internet.

The Regional People's Legislative Assembly (DPRD) is a form of regional people's representative institution domiciled as the organizer of the regional government together with the regional government. Law No. 32 year 2004 states that the DPRD has the right to request information from the regional government, the right to submit statements of opinion, and the right to conduct investigations. The DPRD as a working partner of the regional government also has a function to distribute finance to the community through various services and is constructive for the various needs of its people Rossevelt & Domai, (2014). The number of DPRD members is expected to be an indicator in producing good financial reports, so that local governments are encouraged to be able to report their financial statements on the internet.

Residents have an important role in local government because with a large population and rapid growth make local governments have to think about the standard of living of the population in meeting their needs. Residents living in an area must also play a role in overseeing the performance of the local government which requires the local government to provide large funds to convey its information to a large population. Research by Hilmi & Martani, (2012) shows that the population has a positive effect on financial reporting on the internet. Whereas the research conducted by Alhajjriana et al., (2014) does not indicate that the population influences financial reporting on the internet.

The debt financing ratio (leverage) in local governments is used to measure the ratio of net assets owned by local governments to Hadi's total debt, (2010). In the public sector the debt financing ratio (leverage) is considered important because it provides a decision on credit giving among debtors and creditors. Research conducted by Hadi (2010) shows that the ratio of debt financing (leverage) has a positive effect on financial reporting on the internet while research conducted by (Nosihana & Yaya, 2016) shows that the debt financing ratio (leverage) has no effect on financial reporting in Internet.

This research refers to the research of Alhajjriana et al., (2014), the distinguishes features this research from previous research is the researcher adding independent variables to the ratio of debt financing (leverage) and remove the implications of variables on financial statements. The independent variable addition of the debt financing ratio is because the higher the leverage, the higher the dependence on external parties (creditors) by the local government (debtors) which can lead to tight supervision set by creditors which makes the local government increasingly want to publish their financial reports transparently. The researcher removes the implication variables for the financial statements because the measurement of the independent variables is also expected to produce quality and accountable financial reports and can encourage the government to publish them.

LITERATURE REVIEW

Agency Theory

Agency Theory describes the relationship of one or more people (principals) who involve other people (agents) to perform several services on their behalf and involve several decision-making authorities to these agents Jensen & Meckling, (1976). Problems can arise within government organizations, because people as principals give mandates to the government as agents, so they can carry out their duties in order to improve people's welfare. This relationship can be seen from the government as an agent who provides financial information on the internet through the official website of the regional government so that people can see firsthand how the government is performing.

Friskianti & Handayani, (2014) said that agency theory can reduce the existence of information asymmetry between local government and the community, where there is a need for reporting related to financial management of local governments including in presenting financial statements. Information asymmetry is a situation where one of the parties as an agent knows more about information than the other party, which is a principle that can result in a lack of supervision and control of the principal to evaluate the performance of the agent.

Signalling Theory

In Signaling theory, the local government as the party trusted by the people wants to give a good signal in providing useful information in the form of quality financial reports, accountable and contained in the website of the local government so that the people can automatically assess the work of the government. Within the framework of the signal theory, there is an impetus in providing information because there is an information asymmetry between local governments and outside parties, especially the public (Arifin & Rosita, 2017). This can happen when the local government does not convey all of its financial information to outside parties, both creditors and the public.

Financial Reporting on the Internet

The financial statements are basically prepared to inform the state of an organization, especially the regional government, which is expected to be able to provide benefits to the users of these financial statements. Financial reporting on the internet is one way that can be done by local governments in publishing their financial statements so that transparency can be realized in realizing accountability. With the existence of financial reporting on the internet, the regional government can convince the public and stakeholders that the administration and performance of the government has proceeded according to the applicable rules Alhajjriana et al., (2014).

Orders in conducting financial reporting are also regulated in Government Regulation No. 56 of 2005 concerning regional financial information systems, which require reporting of regional financial information through the official website of the Regional Government. Financial reporting has an important role as stated in paragraph 25 of the conceptual framework of PP No. 71 of 2010, explaining that reporting is needed in the interests of accountability, management, transparency, balance between generations, and performance evaluation.

Decreasing Hypothesis

The regional income is a part of revenue that is very important for local governments in supporting regional development activities, especially for infrastructure so that the creation of equitable development. Regional income is usually obtained through local taxes, regional levies and other legitimate local revenue. Regional income is also made as one of the determinants of success or not in an area.

Agency theory explains where problems can arise in government organizations, because people as principals have given mandates to local governments to be able to run the government properly. The better an area in carrying out regional revenue functions, the higher the desire of the region itself to publish its financial statements. With the ease of accessing the internet in this digital era, the publication of financial reports through local government websites is considered the right way for the information to be conveyed by local governments to be conveyed in a comprehensive, feasible and economical manner. From the description, the formulation of the hypothesis:

H1: Regional income has a positive effect on financial reporting on the internet

Regional expenditure according to Law No. 58 year 2005 concerning Management of Regional Finance is "the obligation of regional government which is recognized as a deduction of net worth". Regional expenditure is also used to fulfill the implementation of local government such as education, health, social facilities, and others in improving the quality of life of the community. Regional expenditure is divided into direct shopping and indirect shopping. This direct expenditure is usually budgeted and directly related to local government programs. While this indirect expenditure is budgeted but does not have a direct relationship with government programs.

From this we can see that the provision of infrastructure and infrastructure that has been done well by local governments has shown that local governments also provide a good signal to the community. This good signal can also be done by publishing its financial statements, so that the higher regional expenditure shows that the public services that are carried out are getting better and making local governments increasingly want to report their financial statements on the internet. This is in line with research conducted by Alhajjriana et al., (2014) and Arifin & Rosita, (2017). From the description above it can be concluded that the hypothesis:

H2: Regional Expenditures have a positive effect on online financial reporting

DPRD has a very important role in the implementation of regional governance. DPRD and regional government work together in implementing regional autonomy, so that a good working relationship must be realized in its implementation. DPRD must provide a good signal to the community in an effort to improve work. It is expected that the greater number of legislative members is expected to be directly proportional to the quality of financial reports reported by local governments and further encourage the desire of regional governments to conduct financial reporting of local governments through the internet (Alhajjriana et al., 2014). From the description above it can be concluded that the hypothesis:

H3: The number of DPRD members has a positive influence on financial reporting on the internet

Many residents interpreted as someone who inhabits an area. Residents have a very important role in the local government because with a large population and rapid growth make local governments have to think about the standard of living of the population in meeting their needs. The population in large numbers also requires local governments to provide large funds in meeting public information needs.

Large regional governments require greater monitoring and reporting needs and bear the costs of supervision and high reporting costs Alhajjriana et al., (2014). Residents are closely related to agency theory because the population has given a mandate to the government to be able to manage their area well. This shows that the greater the number of residents in an area results in the costs that must be incurred to convey a lot of information evenly so that by doing financial reporting on the internet by local governments can be used as cost savings. Based on the description then the hypothesis:

H4: Population has a positive effect on financial reporting on the internet

Debt financing ratio (leverage) is a ratio used to measure how much an area depends on creditors in financing Sari's assets, (2016). The higher the debt financing ratio (leverage) shows that the performance of the local government is not good because the regional government is not optimal in managing regional income.The debt financing ratio raises a relationship between the local government as a debtor and creditor, which requires that the ratio of debt financing (leverage) be higher, the higher the supervision carried out by creditors towards the local government. Local governments can use the internet in delivering financial information as a form of trust in creditors. From this explanation it can be concluded that.

H5: The ratio of debt financing (leverage) has a positive effect on financial reporting on the internet

Research methods

Population, Samples, and Sampling Techniques

The population in this study were all level II regencies and cities on the island of Sumatra. Sumatra Island is one of the islands in Indonesia. The sample in this study was 154 districts and cities in year 2015-2017. The data in this study are secondary data. Financial reporting variables on the internet are obtained from the official website or website of the local government. Relevant data on regional income, regional expenditure, and debt financing ratio (leverage) were obtained through the official website of the Regional Finance Directorate and obtained directly from the

BPK for year 2015-2017. The population is obtained through data issued by BPS. Data related to the number of DPRD members is obtained from the official website of the electoral commission and the official website of the DPRD in each level II region.

Operational Definition and Variable Measurement

Dependent variable

Financial reporting on the internet is one way that can be done by local governments in publishing their financial statements so that transparency can be realized in realizing accountability. Disclosure of financial information on the internet is measured by using a dummy variable, where the local government reports its financial statements on the internet by giving a number "1", and if it does not report its financial statements, it is given the number "0".

Independent Variables

Regional Revenue

Regional income according to Law No. 32 year 2004 is all regional rights that can be recognized as an increase in net worth in a certain budget period. Regional income can be used as an indicator that affects local governments in reporting their finances through the internet. Regional income is measured by regional income = Ln regional income

Regional Expenditures

Regional expenditure according to Law No. 58 year 2005 concerning Management of Regional Finance is "the obligation of regional government which is recognized as a deduction of net worth". Regional expenditure can be used as an indicator in measuring the level of disclosure of financial information on the internet. Regional expenditure is measured by regional expenditure = regional expenditure

Number of DPRD Members

The Regional People's Legislative Assembly (DPRD) is a form of regional people's representative institution domiciled as the organizer of the regional government together with the regional government. The DPRD as a working partner of the regional government also has a function to distribute finance to the community through various services and is constructive for various needs of the community (Rossevelt & Domai, 2014). The number of DPRD members is expected to be an indicator in producing good financial reports, so that local governments are encouraged to be able to disclose their financial information on the internet. The number of DPRD members can be measured by counting the number of elected DPRD members in 2015-2017.

Total population

Many residents interpreted as someone who inhabits an area. Residents have a very important role in the local government because with a large population and rapid growth make local governments have to think about the standard of living of the population in meeting their needs. Population can be used as a measuring indicator because the population is a user of information. The number of members of the population can be measured by the population = Ln Number of Population.

Debt Financing Ratio

In the public sector, debt financing ratio (leverage) is a ratio used to measure how much an area depends on creditors in financing Sari's assets, (2016). The ratio of debt financing (leverage) is also considered important because it creates a relationship between creditors and debtors in making decisions. Debt financing ratio is measured using $\frac{\boldsymbol{Total\ Kewajiban}}{\boldsymbol{Total\ Aset}}$

Data Quality Test

Test Fit Model (Overall Fit Model)

Fit model testing is used to assess whether the model that has been hypothesized is fit or not with the data. The statistics used in this test are based on the Likelihood function. The Likelihood L of the model is a probability and shows a hypothesized model that describes the input data (Ghozali, 2011). The SPSS output gives two values of -2LogL which is one for models that only enter constants (Block Number = 0) only and the second is for models with constants and additional independent variables (Block Number = 1). The reduction in the value between the initial -2LL (Block Number = 0) with -2LogL in the next step (Block Number = 1) indicates that the model is hypothesized to be fit with the data.

Model Feasibility Test

The feasibility of this model uses the Hosmer and Lemeshow Goodnest of fit test. Hosmer and Lemeshow is used to test whether the model used is in accordance with empirical data or not. Decision making in this test is seen from the value of Chi-Square test Hosmer and Lemeshow.

Data Hypothesis and Analysis Test

The tests that will be carried out in hypothesis 1-5 are tested using logistic regression. This method is chosen because the dependent variable used in this study uses a dummy variable. In general, the logistic regression equation is as follows:

$IFR = \alpha + b1X1 + b2X2 + b3X3 + b4X4$ + b5X5 + e
Information:
IFR = Disclosure of financial information on the internet (Y)
$\alpha =$ Constanta
$X1 =$ Regional income
$X2 =$ Regional Expenditure
$X3 =$ Number of DPRD members
$X4 =$ Number of residents
$X5 = leverage$
$E = Error$

The criteria for accepting this hypothesis are if the significance value is below α0.05 and has the direction of the regression coefficient in accordance with the one proposed in the logistic regression test.

Hasil Penelitian dan Analisis

Table 1

N		PD	BD	JAD	JP	LEV	IFR
	Valid	405	405	405	405	405	405
	Missing	0	0	0	0	0	0
Mean		1193234453787	1156246199059	32,8	357924,5111111	0,1889103571286	0,05185185185185
Median		1028697943281	967245794229	30	258003	0,011532484	0
Std. Deviation		595262375181,4	619870590993,4	9,021810755438	334472,2913199	1,022814338968	0,2220020911903
Minimum		392055540089	292929354805	20	33215	1,64247e-005	0
Maksimum		4409065482201	4546129971366	50	2247425	13,25576815	1

Table 1 shows descriptive statistics for each variable. The value of the average (mean) income variable region of 1193234453787, and the median value of the standard deviation value of the 1028697943281 of 595262375181.4. Variable income areas have higher mean values compared with the median value so that it can be concluded that the average income of the area in Sumatra island have a high income area. . The value of the average (mean) shopping area of variable 1156246199059, and the median value of the standard deviation value of the 967245794229 of 619870590993.4. The shopping area has variable values mean higher compared with median value so that it can be concluded that the average shopping area on the island of Sumatra has a shopping area.

The average value (mean) number of DPRD member variables of 32.8, and median value of 30 standard deviation value of 619870590993.4. A variable number of members of PARLIAMENT have a higher mean values compared with the median value so that it can be concluded that the average number of members of PARLIAMENT in the island of Sumatra. The value of the average (mean) a variable population of 357924.5111111, and had a median value of standard deviation value of the 258003 of 334472.2913199. Variable population had a higher mean values compared with the median value so that it can be concluded that the average number of inhabitants on the island of Sumatra. The value of the average (mean) a variable population of 357924.5111111, and had a median value of standard deviation value of the 258003 of 334472.2913199. Variable population had a higher mean values compared with the median value so it can be inferred that the rat ...

Overall Model Fit test

Table 2

Perbandingan Nilai -2LL Awal dengan -2LL Akhir

-2 Log likelihood	Nilai The local Governments level II
Awal (Block Number : 0)	165,185
Akhir (Block Number : 1)	133,304

Source: The data are processed with SPSS 15, 2018

Table 2 shows the values of the initial 22LL (block number = 0) with the final 22LL (block number = 1) the local authorities level II. Local government level II has a value-initial 22LL (block number = 0) of 165.185 and 22LL the end (block number = 0) of 133.304. In this test there is a decrease of 31.881, So can be defined that the model fit the data are tested

Model Feasibility Test

Table 3

Rate in *Overall Model Fit*

Sampel		**Chi-Square**	**df**	**Sig.**	**Keterangan**
The local Governments level II	Step	31,881	5	0,000	**Layak**
	Block	31,881	5	0,000	
	Model	31,881	5	0,000	

Source: The data are processed with SPSS 15, 2018

Table 3 shows the results of testing the feasibility of the model of local government level II using Omnibus Test of the Model's. Based on the test results of the Omnibus Test of the Model can be seen in the Government's regencies have significance value of 0.000 < α 0.05. So it can be deduced that the local Government level II has a data that worthy for this research.

Table 4

Model feasibility test

Sampel	Chi-square	Sig.	Keterangan
the local Governments level II	12,346	0,136	**Layak**

Source: The data are processed with SPSS 15, 2018

Table Of Coefficients Of Determination

Table 4 shows results of Hosmer and Lameshow Test used to test the feasibility of the research model used by looking at the results of Chi-square value and the value of significance. Local government level II which has a value of Chi-square of 12.346 and significant of 0.136 > α 0.05. Based on the results found, then it can be inferred that the local Governments level II have decent models to be used to perform testing in this study.

Table 5

The result of the coefficient determinasi test

the local Governments level			
Step	**-2 Log likelihood**	**Cox & Snell R Square**	**Negelkerke R Square**
1	133,304	0,076	0,226

Source: The data are processed with SPSS 15, 2018

Based on table 5 local government level II has value Negelkerke R Square of 0.226 22.6% which means that the decision of financial reporting on the internet are described in variable income areas, shopping districts, the number of members of PARLIAMENT, the number of members population, and the ratio of debt financing (leverage). While 77.4% financial reporting on the internet by local governments level II is described in other variables.

Hypothesis testing

In this study hypothesis testing is done using logistic regression analysis using SPSS program for window version 15. Logistic regression results are described in the following table:

Table 6

Hasil Uji Regresi Logistik Pemerintah daerah

		B	S.E	Wald	df	Sig.	Exp (B)
Step 1[a]	LEV	,157	,118	1,765	1	0,184	1,170
	LN_PD	9,191	2,149	18,825	1	0,000	9807,327
	LN_BD	6,7974	1,912	12,634	1	0,000	0,001
	LN_JAD	4,990	2,554	3,816	1	0,041	146,922
	LN_JP	-3,349	,962	12,114	1	0,001	0,0350
	constant	-45,671	24,738	3,408	1	0,065	0,000

Variable(s) entered on step 1: LEV, LN_PD, LN_BD, LN_JAD, LN_JP.

Sumber: Data Sekunder yang diolah dengan SPSS 15, 2018

Based on Table 6 logistics regression model is then obtained as follows:

IFR= -45,671 + 9,191PD + 6,7974BD + 4,990JD – 3,349JP – 0,157LEV

The first Hypothesis test results (H1)

Based on Table 6, the results of testing regional income variables have a sig value of 0,000 <α0,05 and positive coefficient direction 9,191, meaning that independent variables have a positive and significant effect on financial reporting on the internet, so H1 that states regional income variables have a positive effect on financial reporting in internet is accepted. The results of this test are also in accordance with the research conducted by Jaya & Sisdyani, (2014), Verawaty, (2017). These studies have proven that regional income has a positive and significant effect on financial reporting on the internet.

Second Hypothesis Testing Results (H2)

Based on Table 6 the results of the testing of regional expenditure variables have a sig value of 0,000 <α0,05 and positive coefficient direction 6.7974, meaning that the independent variable of regional expenditure has a positive and significant effect on financial reporting on the internet, so H2 that states the expenditure variable influences positive for financial reporting on the internet is accepted. The results of this study are in line with research conducted by Arifin & Rosita, (2017), Primary at al, (2015), Alhajjriana et al., (2017). The results of this study indicate that regional spending can encourage the government to be able to publish their financial statements through the internet. These studies have proven that regional spending has a positive and significant effect on financial reporting on the internet

Results of Testing the Third Hypothesis (H3)

Based on Table 6, the results of testing the number of DPRD members have a sig value of 0.041 <α0.05 and the direction of the positive coefficient is 4.990, meaning that the independent variables have a positive and significant effect on financial reporting on the internet, so H3 that states the number of DPRD members is variable positive effect on financial reporting on the internet is acceptable. The results of this test are in accordance with the hypothesis that has been done previously which states that the number of DPRD members influences financial reporting on the internet. The results of this appropriate study were conducted by Setyaningrum & Syafitri, (2012), Suhardjanto & Yulianingtyas, (2011), Gilligan & Matsusaka, (2001), and Darmastuti & Setyaningrum, (2009).

Results of Testing the Fourth Hypothesis (H4)

Based on Table 6 the results of testing the number of population obtained have a sig value of 0.001 <α0.05 and a negative coefficient direction -3349, meaning that the independent variables of the population have a negative effect on financial reporting on the internet. so H4 that states the population variable has a positive effect on financial reporting on the internet is rejected. The results of this study are not in accordance with the research conducted by Hilmi & Martani, (2012) and Pratama et al., (2015) who found the population had a positive and significant effect on financial reporting on the internet.

Alhajjriana et al., (2017) considers that the population cannot encourage the government to publish its financial statements via the internet. The population has a negative effect because there may still be a lot of public services that have not been felt by the community and there is still a lack of sense of responsibility by the community in monitoring government performance. The community should be able to be more aware that by participating in supervising the government's performance, local governments can maximize their performance.

a large population should also be able to encourage the government to be able to publish its report, because local governments are unlikely to be able to spend large amounts of money only to fulfill public information needs if they can use the website in each region. et al., (2017) who failed to prove the influence of the population on financial reporting on the internet.

The results of the fifth Hypothesis Testing (H5)

based on Table 6 obtained test results variable ratio of debt financing (leverage) that has the value of sig of 0.184 > α 0.05 and direction positive coefficient of 0.157, meaning independent variable ratio financing debt (leverage) does not affect financial reporting on the internet, so the H5 that states population variables influence on financial reporting on the internet is rejected. This shows that the Government is still not open about their financial reports against the lender.

Financial reporting on the internet is a good way of obtaining funds from creditors, but the government still rarely conducts financial reporting on the internet even though the regional government has received the title of WTP from the Supreme Audit Agency. This result is consistent with the research conducted by Nosihana & Yaya, (2016), Mahmud & Hudoyo, (2014), Laswad et al., (2005), and Arifin & Rosita, (2017).

Summary and advice

This research aims to provide empirical evidence about the factors that affect financial reporting on the internet. The dependent variables are tested in this study is financial reporting on the internet. Independent variables tested in this study is the revenue area, shopping area, the number of members of the DPRD, population, and the ratio of debt financing (leverage). On the basis of the analysis that has been done, then it can be drawn the conclusion that the positive effect of regional income against the financial reporting on the internet by Governments of regencies in Sumatra Island, shopping area of positive effect against financial reporting on the internet by Governments of regencies in Sumatra Island, the number of members of the DPRD positive effect against financial reporting on the internet by Governments of regencies in Sumatra Island, the population effect negatively to financial reporting on the internet by Governments of regencies in anyway ...

Based on the results in this study then some suggestions that may the researcher recommended and can be a consideration for further research, among other things, extend the sample and index of financial reporting in the local Government's website so that the resulting conclusion is broader in scope and well again, adding a period in research and add another independent variable that is thought to have an impact on financial reporting on the internet such as IPM and press visibility.

In this study the author has some limitations that can be improved by further research. Limitations of this Research, using only the County Government and city that are on the island of Sumatra, the variables used in this study only revenue areas, shopping districts, the number of members of the DPRD, population, and the ratio of debt financing (leverage), and the period of years used in the study was only 2015-2017.

Daftar Pustaka

Alhajjriana, G. I., Nor, W., & Wijaya, R. (2014). Faktor-faktor yang mempengaruhi Internet Financial Reporting Pemerintah daerah dan Implikasinya terhadap laporan keuangan pemerintah daerah. *Jurnal Akuntansi Dan Bisnis*, *15*(1), 65–73.

Alhajjriana, G. I., Nor, W., & Wijaya, R. (2017). Faktor-faktor yang mempengaruhi Internet Financial Reporting dan implikasinya terhadap akuntabilitas laporan keuangan daerah. *Jurnal Akuntansi Dan Bisnis*, *17*(2), 144–155.

Arifin, J., & Rosita, L. R. A. (2017). Determinan Kualitas Pengungkapan Laporan Keuangan dalam Website Pemerintah Daerah, 1–26.

Asosiasi Penyelenggara Jasa Internet Indonesia (2017). https://apjii.or.id/content/read/39/342/Hasil-Survei-Penetrasi-dan-Perilaku-Pengguna-Internet-Indonesia-2017

Dewi Darmastuti, & Setyaningrum, D. (2009). Faktor-faktor yang Mempengaruhi Pengungkapan Belanja Bantuan Sosial Pada Laporan Keuangan Pemerintah Daerah Pada Tahun 2009.

Friskianti, Y. (Universitas N. S., & Handayani, B. D. (Universitas N. S. (2014). Accounting Analysis Journal. *Accounting Analysis Journal*, *3*(1), 361–369.

Ghozali, Imam, 2011. *Aplikasi Analisis Multivariate dengan Program IBM SPSS 19*, edisi 5. Semarang: Universitas Diponegoro

Gilligan, T. W., & Matsusaka, J. G. (2001). Fiscal Policy, Legislature Size, and Political Parties: Evidence from State and Local Governments in the First Half of the 20th Century. *National Tax Journal*, *54*(1), 57–82.

Hadi, W. (2010). Pengaruh Likuiditas Dan Leverage Terhadap Kemandirian Daerah (Studi Terhadap Laporan Keuangan Pemerintah Daerah Tahun Anggaran 2007 Di Wilayah Provinsi Aceh). *Jurnal Telaah & Riset Akuntansi Vol. 3. No. 1. Januari 2010 Hal. 29-51*, *3*(1).

Hilmi, A. Z., & Martani, D. (2012). Analisis Faktor-Faktor yang Mempengaruhi Tingkat Pengungkapan Laporan Keuangan Pemerintah Provinsi. *Makalah Simposium Nasional Akuntansi XV, 1–26.*

Jaya, J. D., & Sisdyani, E. A. (2014). Pengaruh Pendapatan Asli Daerah , Dana Alokasi Pengungkapan Informasi Keuangan Daerah Melalui Situs Resmi Pemerintah Provinsi. *E-Jurnal Akuntansi Universitas Udayana*, *2*, 285–303.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305–360.

Laswad, F., Fisher, R., & Oyelere, P. (2005). Determinants of voluntary Internet financial reporting by local government authorities. *Journal of Accounting and Public Policy*, *24*(2), 101–121.

Mahmud, A., & Hudoyo, Y. T. (2014). Faktor-faktor yang mempengaruhi pengungkapan laporan keuangan di internet oleh pemerintah daerah. *Accounting Analysis Journal*, *3*(1), 361–369.

Nosihana, A., & Yaya, R. (2016). Internet Financial Reporting dan Faktor-Faktor yang Mempengaruhinya Pada Pemerintah Kota dan Kabupaten Di Indonesia. *Jurnal Dinamika Akuntansi Dan Bisnis*, *3*(2), 89–104.

Pratama, K. A. D., Werastuti, D. N. S., & Edy, S. (2015). Pengaruh Kompleksitas Pemerintah Daerah, Ukuran Pemerintah Daerah, Kekayaan Daerah, dan Belanja Daerah Terhadap Pelaporan Keuangan Pemerintah Daerah (Studi pada Pemerintah Kabupaten/Kota di Bali Tahun 2010-2013). *E-Journal S1 Ak Universitas Pendidikan Ganesha Jurusan Akuntansi Program S1 (Volume 3, No.1 Tahun 2015)*, *3*(1).

Republik Indonesia. 2004. Undang-Undang No. 32 Tahun 2004 Tentang Pemerintah Daerah. Lembaran Negara Pemerintah Republik Indonesia. Sekertariat Negara. Jakarta.

Republik Indonesia. 2005. Undang undang No 58 Tahun 2005 tentang Pengelolaan Keuangan Daerah. Sekertariat Negara. Jakarta

Republik Indonesia. 2005. Undang undang No 14 Tahun 2008 tentang Keterbukaan Informasi Publik. Sekertariat Negara. Jakarta

Republik Indonesia. 2010. Peraturan Pemerintah Republik Indonesia No 71 Tahun 2010 Tentang Standar Akuntansi Pemerintahan. Lembaran Negara Republik Indonesia. Sekertariat Negara. Jakarta.

Republik Indonesia. 2014. Undang-Undang No. 23 Tahun 2014 Tentang Pemerintah Daerah. Lembaran Negara Pemerintah Republik Indonesia. Sekertariat Negara. Jakarta.

Republik Indonesia. 2005. *Peraturan Pemerintah Republik Indonesia No 56 Tahun 2005 Tentang Sistem Informasi Keuangan Daerah.* Jakarta: Pemerintah Indonesia.

Rossevelt, F. A., & Domai, T. (2014). Pengawasan Dewan Perwakilan Rakyat Daerah Dalam Pelaksanaan APBD Di Kota Malang (Studi di DPRD Kota Malang). *Jurnal Administrasi Publik (JAP), Vol. 2 , No. 3, Hal . 400-406*, *2*(3), 400–406.

Sari, I. P. (2016). Pengaruh Ukuran Pemerintah Daerah, Pad, Leverage, Dana Perimbangan Dan Ukuran Legislatif Terhadap Kinerja Keuangan Pemerintah Daerah. *JOM Fekon Vol.3 No.1 (Februari) 2016*, 679–692.

Setyaningrum, D., & Syafitri, F. (2012). Analisis pengaruh karakteristik pemerintah daerah terhadap tingkat pengungkapan laporan keuangan. *Jurnal Akuntansi Dan Keuangan Indonesia*, *9*(2), 154–170.

Styles, A. K., & Tennyson, M. (2007). The accessibility of financial reporting of U.S. Municipalities on the internet. *Journal of Public Budget, Accounting & Management*, *19*(1), 56–92.

Suhardjanto, D., & Yulianingtyas, R. R. (2011). Pengaruh karakteristik pemerintah daerah terhadap kepatuhan pengungkapan wajib dalam laporan keuangan pemerintah daerah (Studi

Empiris pada Kabupaten/Kota di Indonesia). *Jurnal Akuntansi & Auditing*, *8*(1), 30–42.

Verawaty. (2017). Determinan Transparansi Informasi Keuangan Daerah Melalui E-Government Pemerintah Daerah Sumatra Selatan. *Nucleic Acids Research*, *13*(11), 92–107.

Zebua, W. F. (2014). Pengaruh Alokasi Belanja Modal, Belanja Barang dan Jasa, Belanja Hibah dan Belanja Bantuan Sosial Terhadap Kualitas Pembangunan Manusia (Studi pada Kabupaten dan Kota di wilayah Provinsi Jawa Barat tahun 2011- 2013). *Jurnal Ilmiah Mahasiswa Universitas Brawijaya*, *3*(1).