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Original Article

The Some Factors Influencing to Quality of Financial Statements Based on the Accounting Standards of Micro, Small And Medium Entities (SAK EMKM) in SMEs in Bogor

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Abstract *- Financial Statements of Micro, Small, and Medium Enterprises (MSMEs) have an important role in the success of a business. Financial reports Micro, Small and Medium Enterprises (MSMEs) will produce perfect information for the entity to make the right decision making. This study aims to find out how the influence of the quality of human resources, the internal control system, and the size of the business on the quality of financial reports in Micro, Small, and Medium Enterprises in the City of Bogor. The type of research used is a quantitative method with a descriptive approach. The population in this study were all Micro, Small, and Medium Enterprises registered in the local government of the Bogor Micro, Small, and Medium Enterprises Service. Methods of data collection using a questionnaire with a total sample of 100 respondents.*

The results of this study provide an explanation that there is a positive and significant influence between the quality of humanre sources to the quality of the financial statements of Micro, Small and Medium Enterprises (MSMEs). While the internal control system and business size did not have a significant effect on the quality of the financial statements of Micro, Small, and Medium Enterprises (MSMEs) in the city of Bogor.

Keywords *- Accounting Standards for Micro, Small and Medium Enterprises (SAK EMKM), Quality of Financial Statements, MSMEs*

I. INTRODUCTION

A. Research Background

The roles of Micro, Small, and Medium Enterprises (MSMEs) are important parts of a country's economy, even though it is seen from the economic scale that is very small. A huge number of Micro, Small, and Medium Enterprises (MSMEs) are believed to be able to contribute to the national economy. According to Government of Central Statistics Agency data, in 2012 the number of entrepreneurs in Indonesia amounted to 56,539,560 units. Of these, Micro, Small, and Medium Enterprises (MSMEs) were 56,534,592 units or 99.99%. The rest, around 0.01% or 4,968 units are large businesses.

However, there are still many Micro, Small, and Medium Entities in Indonesia that have difficulty in preparing a Financial Statement. The Micro, Small, and Medium Enterprises (MSME) Financial Report are accounting information that plays an important role in business success. The financial statements can present information on the profit and loss statement of the business and be the basis for economic decision making in the development of Micro, Small, and Medium Enterprises (MSMEs).

APrawestistudy(2015) [1]entitledFactorsInfluencingtheUnderstandingofMSMEsinPreparing FinancialStatementsbasedonSAKETAP,concludedthatBusinessScaleandInformationDisseminationhadnosignificanteffectonthepreparationofFinancialStatementsinSlemanRegency, whileeducationalbackgroundhadasignificanteffectonthepreparationofFinancialStatements.

This research was conducted at Micro, Small and Medium Enterprises (MSMEs) in BogorCity related Bogor City is one of the regions with the quite rapid development of Micro, Small, and Medium Enterprises(MSMEs),especiallyintheCulinarybusiness.InaccordancetotherequirementsofMicro, Small and Medium Enterprises (SAK EMKM) Financial Accounting Standards, the presentation of financial statements need an entity to present information to achieve its objectives: Relevant, Appropriate Representation, Comparability, Understanding. Financial Accounting Standards for Micro, Small, and Medium Enterprises (SAK EMKM) are implemented to guide Micro, Small and Medium Enterprises (MSMEs) in Indonesia be able to prepare quality financial reports, so they can

evaluate their business and use financial statement information as a tool for decision making. Micro, Small, and Medium Enterprises (MSMEs) which already have financial reports will get easier to access funding sources to investors and banks.

Therefore, researchers are interested to conduct research on Micro, Small, and Medium Enterprises (MSMEs) in the City of Bogor in order to find out what factors affect the constraints in preparing financial statements, with the objective the financial reports can be prepared proper and provideinformationtointernalpartiesforbusinesseval uationandexternalpartiestosupportaccessto funding and determining the amount of tax, so the authors make the title: " The Some Factors Influencing to Quality of Financial Statements Based on Financial Accounting Standards for Micro, Small and Medium Enterprises (SAK EMKM) case study on Micro, Small and Medium Enterprises (MSMEs) in Bogor City"

B. Formulation of the problem

1. Does the Quality of Human Resources Affect the Quality of Financial Statements in Micro, Small, and Medium Enterprises (MSMEs) in BogorCity?
2. DoestheInternalControlSystemaffecttotheQualit yofFinancialStatementsinMicro,Smalland Medium Enterprises (MSMEs) in BogorCity?
3. Does Business Size affect the Quality of Financial Statements in Micro, Small, and Medium Enterprises (SMEs) in BogorCity?
4. Does all factorssuchastheQualityofHumanResources, InternalControlSystemsandBusinessSize affect the Quality of Financial Statements in Micro, Small, and Medium Enterprises (SMEs) in the City of Bogor?

C. Research purposes

1. To determine the effect of the Quality of Human Resources to prepare Financial Statements on Micro, Small, and Medium Enterprises (MSMEs) in BogorCity.
2. To find out the influence of the Internal Control System to prepare the quality Financial Reports on micro, SmallandMediumEnterprises(SMEs)intheCityo fBogor.
3. To determine the effect of Business Size on the quality of Financial Reports on Micro, Small, and Medium Enterprises (SMEs) in the City of Bogor.
4. To determine the effect of all factors such as the Quality of Human Resources, Internal Control Systems, and Business Size to the quality of Financial Statements on Micro, Small, and Medium Enterprises (MSMEs) in BogorCity

II. LITERATURE REVIEW

A. Financial Statements

According to PSAK No. 1 (2015.2)[2], Financial statements are part of the financial reporting process. Complete financial statements usually include balance sheets, income statements, statements of financial position (presented in various ways such as cash flow statements, or cash flow statements), notes and other reports, and explanatory material that is an integral part and financial statements. Besides that,italsoincludesadditionalschedulesandinformati onrelatedtothereport, for examplefinancialindustryandgeographicalsegments anddisclosureoftheeffectofpricechanges."

According to SAK EMKM, the minimum Financial Statements consist of:

1. Statement of Financial Position at the end of the period;
2. Income Statement during the period;
3. Notesoffinancialstatements,whichcontainadditi onsanddetailsofcertainrelevantitems.

According to Bruce Mackenzie, Allan Lombard, Danie Coetsee, Tapiwa Njikizana, Raymond Chamboko, and Edwin Selbst in the IFRS for SMEs for Small and Medium Enterprises or Entities WithoutPublicAccountability(2012.7)[3]: Theobjectivesstatedinthefinancialstatementsofsmal land medium enterprises or entities without public accountability (SME), which generates information about the financial position, performance and cash flow of beneficial entities, for economic decision making by a wide range of users, some users may not have the right to request related reports to meet their particular needs. In general,thefinancialstatementsareconductedtoconv eyinformationthatthe company'sfinancialconditionatacertaintimetothesta keholders. (Samryn,2012)[4].

Basedonthedescription,itcanbeconcludedth atthepurposeoffinancialstatementstoprovide financialinformationofanentityasoneofthetoolsused byacompanytomakethedecisions.

B. Quality of Financial Statements

In accordance with SAK EMKM requirements, the presentation of reasonable financial statements requires an entity to present information to achieve the objectives as follows :

a) Relevant:informationcanbeusedbyusersforthede cisionmakingprocess.
b) Appropriate representation: information in financial statements represents exactly what will be represented and is free from material errors and biases.
c) Comparison:informationinanentity'sfinancialsta tementscanbecomparedbetweenperiodsand entities to identify and evaluate financial position and performance.
d) Understanding: the information presented can

be easy to understand by users. Users are assumed haveadequateknowledgeandwillingnesstolearnt heinformationwithreasonableperseverance.

C. Factors That Influence the Quality of Financial Statements

This study replicates several variables that affect the Quality of Financial Statements:

1. Quality of HumanResources

Human Resources (HR) Is the key to the success of a company because it has a high value the ability, knowledge, and skills as they have (Hadi, 2015)[5].

The ability of employees is an important element in achieving organizational goals that have been set. If every employee has sufficient ability, it is expected that each individual in the organization concerned will be able to carry out the task as well, so the achievement of the organizational goals will be easier to achieve (Widodo, 2015)[6].

2. Internal ControlSystem

According to Romney & Steinbart (2015: 216)[7]: Internal control is a process that is implemented to provide guarantees to meet several objectives of internal control, including maintaining assets, maintaining records in sufficient detail for reporting accurate and accurate company assets,providinginformationthatisaccurateandtrust worthy, prepares financial reports with specified criteria, encourages and improves operational efficiency, encourages compliance inmanagerialmatters,andmeetstherequirementsofex istingregulationsandregulations."

3. BusinessSize

As the business grows and develops, the entrepreneur starts to see the importance of the role of financial statements. The bigger the business, the owner starts to think about the importance of financial bookkeeping and reporting to encourage asset management and financial performance assessment (Rudiantoro and Siregar,2011)[8].

D. Financial Accounting Standards for Micro, Small and Medium Enterprises (SAK EMKM)

SAK EMKM can be used by Micro, Small, and Medium Entities to prepare quality financial statements. According to Financial Accounting Standards, the purpose of financial statements is to provide information regarding the financial position, performance, and changes in the financial position of a company that is important to a huge number of users in making decisions.

Thebaseformeasuringthefinancialstatemen telementsinSAKEMKMishistoricalcosts.The historical cost of an asset is the amount of cash or cash equivalents paid to obtain the asset at the time of acquisition. The historical cost of a liability is the amount of cash or cash equivalents received or theamountofcashthatisexpectedtobepaidtofulfillobl igationsinthenormalcourseofbusiness.

E. Conceptual Framework

Based on the description above, the research framework can be described in the following form:

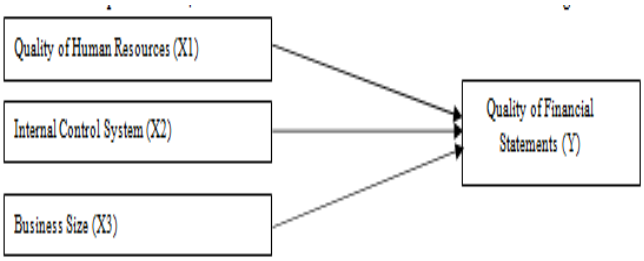

Fig. 1 Conceptual Framework

F. Research Hypothesis

The hypothesis is a temporary answer to the formulation of research problems (Sugiyono, 2007: 51)[9]. The hypotheses in this study are as follows::

H_1: The Quality of Human Resources has a positive effect on the Quality of Financial Statements in micro, SmallandMediumEnterprises(MSMEs)in theCityofBogor.

H2:InternalControlSystemshaveapositiveeffectonth eQualityofFinancialStatementsin Micro, Small and Medium Enterprises (MSMEs) in BogorCity

H3 :BusinessSizehasapositiveeffecto ntheQualityofFinancialStatementsinMicr o,Smalland Medium Enterprises (MSMEs) in BogorCity

H4 :QualityofHumanResources,Inter nalControlSystems,BusinessSizesimulta neously influencetheQualityofFinancialStatement sinMicro,SmallandMediumEnterprises (MSMEs) in BogorCity

III. METHODOLOGY

A. Data analysis method

The research method used in this research is quantitative research with a descriptive approach. This studyusesadescriptiveapproachwiththeaimofdescri bingtheobjectofresearchorresearchresults.

B. Descriptive Statistical Analysis

Primary data collected through the

distribution of questionnaires is formed in the measurement scale. The measurement scale is an agreement that is used as a reference to determine the length of the short intervalinthemeasuringinstrument,sothatthemeasuringinstrumentwhenusedinmeasurementwill produce quantitative data (Sugiyono, 2013: 92)[10]. In this study, the measurement scale used is a Likert scale.

Table 1
Questionnaire Score

No.	Response	Score
1	Strongly dis-agree	1
2	Dis-agree	2
3	Fair-Agree	3
4	Agree	4
5	Fully-Agree	5

Source: Ghozali, 2012: 47

Then the data will produce ordinal data. Primary data in the form of a Likert scale are then analyzed based on data analysis methods that are suitable for use in this study.

C. Validity test

Validity is an index that shows the measuring instrument actually measures what is measured. This validityconcernstheaccuracyoftheinstrument.Totestthevaliditybetweeneachtotalscoreusingthe Product Moment correlation technique formula with the following formula:

$$r = \frac{n\sum xy - \sum x\sum y}{\sqrt{([n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum x)^2])}}$$

Information:

r=ProductMomentcorrelationcoefficient

x = The number of scores for Indicator X

y=ThenumberofscoresforIndicatorY

n = Number of respondents (sample) from variables x, y from the questionnaire

The benchmark value for the validity test is the correlation coefficient that gets a value greater than 0.3, (Now in Augustine and Kristaung, 2013: 70)[11].

D. Reliability Test

Reliabilityisatermusedtoindicatetheextenttowhichameasurementresultisrelativelyconsistentif the measurement is repeated twice or more. Reliability testing can be done using Alpha Cronbach's values (Augustine and Kristaung, 2013: 71-72). If the Cronbach Alpha value is greater than 0.6, the research questionnaire is reliable (Augustine and Kristaung, 2013: 73, Noor, 2011: 165). The reliability test must be carried out only on questions that already have or meet the validity test, so if it does not meet the validity test requirements then it is not necessary to proceed with the reliability test (Noor, 2011:130)[12].

To test the reliability in this study, the authors used the Alpha Cronbach reliability coefficient with the following formula:

$$a = \left[\frac{k}{k-1}\right]\left[1\ \frac{Si^2}{Sx^2}\right]$$

Information:

A = Reliabilitycoefficient

K =numberofquestion/statementinstruments

ΣSi2 = The amount of variance of each instrument

Sx2 = Variance of the entireinstrument

E. Normality test

Normality test aims to test whether the sample used has a normal distribution or not. In the linear regression model, this assumption is indicated by the error value that is a normal distribution. A good regressionmodelisaregressionmodelthathasanormal ornearnormaldistribution,soitisfeasibleto test statistically. Testing the normality of data using the Kolmogorov-Smirnov Test of Normality in the SPSS program. According to Singgih Santoso (2012: 293)[13], the basis for decision making can be based on probabilities (Asymptotic Significance), namely:

1) Iftheprobabilityis>0.05thenthedistributionofthe regressionmodelisnormalnormal.
2) Iftheprobabilityis<0.05thenthedistributionofthe regressionmodelisnotnormal.

F. Multicollinearity Test

The multicollinearity test is used to test whether or not there is a correlation between the independent variables in the regression model. If there is a correlation, then there is a problem called multicollinearity. A good regression model should not occur correlation between independent variables. If it is proven that there is multicollinearity, it is better if the independent one is removed from the model, then making a regression model is cashed back (Singgih Santoso, 2010: 234). To detect the presence or absence of multicollinearity can be seen from the amount of Variance Inflation Factor (VIF) and Tolerance. Guidelines for a multicollinearity-free regression model are tolerancenumbercloseto1.VIFlimitis10, iftheVIFvalueisbelow10,thenthereisnosymptomof multicollinearity (Gujarati, 2012:432)[14].

G. Heteroscedasticity Test

Heteroscedasticitytestaimstotestwhetherin aregressionmodelthereisanunequalvariancefromthe residuals of one observation to another. If the variance of the residuals from one observation to another is fixed, then it is called Homoscedasticity. And if the variance is different, then it is called heteroscedasticity. A good regression model is no

heteroscedasticity. To detect the presence or absence of heteroscedasticity symptoms is to look at the presence or absence of certain patterns on scatterplot charts around the values of X and Y. If there are certain patterns, then symptoms of heteroscedasticity have occurred.

H. Hypothesis test

1) MultipleRegression Analysis

Data obtained from the results of the above data collection can be processed according to the type of data and then presented in the form of tables and numbers of statistical methods. The data analysis method used in this study is multiple linear regression analysis which can be formulated as follows:

$Y' = a + b_1X_1 + b_2X_2 + b_3X_3 + e$ 1

Information:

Y' = Dependent Variable (FinancialReport)

a = Constants (value of Y 'if X = 0)

B1,B2,B3 = Coefficient of Independent Variables (Quality of human resources, internal control systems, and business size)

X1, X2, X3 = Independent Variable (Quality of human resources, internal control systems, and business size)

e = faktorpengganggu

2) Coefficient of Determination

Thecoefficientofdetermination(*R*2)isusedtomeasuretheproportionorpercentageofthe contributionoftheindependentvariableunderstudytotheriseandfallofthedependentvariable.The coefficientofdetermination(*R*2)isavalue(proportionvalue)thatmeasureshowmuchtheabilityof theindependentvariablesusedintheregressionequation,inexplainingthevariationofthedependentvariable (Supranto, 2005: 158, Gujarati, 2003: 212). The determinant coefficients range from zero to one(0≤R2≥ 1).IfR2 getsbigger(closeto one),thenit canbesaidthattheeffectoftheindependent variable(X)onthedependentvariable(Y)islarge.This meansthatthemodelusedisgettingstronger to explain the influence of independent variables on the dependent variable and vice versa, (Azwar, 2016)[15].

3) F Test (Simultaneous)

According to Ghozali (2012: 98)[16], F Statistical Test basically shows whether all independent variables or independent variables entered in the model have a joint influence on the dependent variable or the dependent variable. To test this hypothesis F statistics are used with the following decision-making criteria:

a) Significant level [ ] = 0.05
b) TestcriteriawhereHaisacceptedifpvalue<αandHaisrejectedifpvalue>α.

4) T-Test (Partial)

Thestatisticaltesttisalsoknownasthesignificancetest.The thesignificancetestoftheindividualpartial regressioncoefficientisatesttotestwhetherthevalueoftheindividualpartialregressioncoefficient is zero or not (Gujarati, 2003: 250, Supranto, 2005: 196). How to make decisions can be done by comparingtheprobabilityvalueρorSig.withasignificancelevelvalue,i.e.Iftheprobabilityvalue≥significancelevelisused,inthisstudyα=5%,thenthepartial regressioncoefficientvalueBi=0.This means that the influence of the independent variables on the variable Quality of Financial Statementsisnotstatisticallysignificantatthe5%significancelevel.However,iftheprobabilityvalueρ<significancelevelisused,thenthevalueofthepartialregressioncoefficient≠≠0.This means that the influence of the independent variables on the variable Quality of Financial Statements is statisticallysignificantatthe5%significancelevel. Anotherwayofmakingdecisionsonhypotheses can be done by comparing the statistical value of the test to the critical value based on the distribution table.Beforecalculatingthecriticalvalue*t*,firstcalculatethevalueoffreedegrees(n-k). Here are the rules for making decisions about hypotheses based on the test:

Iftarithmetic<ttable;thenH0isacceptedandH1isrejected;

Iftarithmetic>Ttable;thenH0isrejectedandH1isaccepted.

I. Definition of Variable Operations

Table 2. Variable Operations

Variable	Indicator	Scale of Measurement
Quality of Human Resources	1. Educational background 2. Level of education 3. UnderstandingofAccounting&Financial Statements 4. Experience in preparing financial statements	Likert Scale

Internal Control System	1. Standard OperatingProcedures 2. TransactionSupervision 3. Separation of EmployeeDuties 4. Employee performance evaluation	Likert Scale
Business Size	1. total assets 2. Number of employees 3. CompanyRevenue	Likert Scale
Quality of Financial Statements	1. Relevant 2. Right representation. 3. Comparability 4. Understanding	Likert Scale

Source: Data processed

IV. RESULTS AND DISCUSSION

A. Description of Research Subjects

This research was conducted in a number of Micro, Small, and Medium Enterprises (MSMEs) that are spread out in several areas in Bogor City. Micro, Small, and Medium Enterprises (MSMEs) which are thesubjectsofthisresearchareMicro, SmallandMediumEnterprises(MSMEs)which have financial Statements.Theresultsofthequestionnairethathasb eendistributedasfollows:

Table 3. Questionnaire Collection Results

No.	MSMEs	Number of Questionnaires Distributed	Number of Questionnaires Returned	Percentage (%)
1	Bogor Utara	50	41	41%
2	Bogor Selatan	20	8	8%
3	Bogor Timur	20	15	15%
4	Bogor Barat	20	16	16%
5	Bogor Tengah	20	20	20%
Jumlah Data Diolah		130	100	100%

Source: Data processed

B. Description of Respondents

To get apictureofthecharacteristicsoftherespondentstobe studied,dataprocessingisdonethrough descriptive statistical calculations. Respondent characteristics can be seen from the demographic data of the respondents listed in the distributed questionnaire. Data on Job Position, Latest Education, Educational Background, and Type of Business. Following are the results of respondent demographics data collection:

Table 4. Demographic Data of Respondents

No.	Description	amount	Percentage (%)
	Position		
1	Owner	13	13%
2	Manager	17	17%
3	Other	70	70%
	TOTAL	100	100%
	Last education		
2	SMA/SMK (High School)	30	30%
3	D3 (Diploma / Associate Degree)	40	40%
4	S1 (Bachelor Degree)	28	28%
5	S2 (Master Degree)	0	0%
6	Others	2	2%
	TOTAL	100	100%
	Educational background		
1	Economics	17	17%
2	Accounting	17	17%
3	Management	24	24%
4	Other	42	42%
	TOTAL	100	100%
	Type of business		
1	Trading	59	59%
2	Services	16	16%
3	Manufacture	3	3%
4	Other	22	22%
	TOTAL	100	100%

Source: Primary data processed

C. Description of Variable Data Quality in Human Resources (X1)

The following is a detailed description of the Quality Factors of Human Resources that will affect the Quality of Financial Statements in accordance with the Financial Accounting Standards for Micro, Small and Medium Enterprises (SAK EMKM) presented in the form of the table below:

Table 5. Distribution of Respondents' Responses to Quality Factors in Human Resources

Indicator	Response	Bobot	F	Percentage	Score
1. Editional Bacground 2. Educational level 3. Understanding of accounting and financial statements 4. Experience in preparing financial statements	strongly agree	5	106	27%	530
	agree	4	230	58%	920
	quite agree	3	63	16%	189
	disagree	2	1	0%	2
	strongly disagree	1	0	0%	0
			400	100%	1641

Source: Primary data processed

Based on the table, it can be seen that respondents agree with the quality factor of human resources affecting the quality of financial reports in accordance with the Financial Accounting Standards for Micro, Small and Medium Enterprises (SAK EMKM) in Micro, Small and Medium Enterprises (MSMEs) in Bogor City. The number of respondents' scores on the statement on the factor of the quality of human resources obtained by 1641, with the highest weighting score is 5 and the lowest weight 1. If classified based on five (5) levels, the range of scores can be calculated by the following formula:

$$Range = \frac{\text{Score Maximum - Score Minimum}}{\text{Total Class}}$$

ScoreMaximum : 5 x f = 5 x 400 =2000
ScoreMinimum : 1 x f = 1 x 400 =400
TotalClass 5
Range : $\frac{2000-400}{5} = 320$

D. *Description of Variable Data Internal Control System (X2)*

The following is a detailed description of the Internal Control System Factors that will affect the Quality of Financial Statements in accordance with the Financial Accounting Standards for Micro, Small and Medium Enterprises (SAK EMKM) presented in the table as follow:

Table 6.
Distribution of Respondents' Responses to Internal Control System Factors

Indicator	Response	Bobot	f	Percentage	Score
1. Standard Operating Procedures 2. Transaction Monitoring 3. Separation of employee duties 4. Employee performance evaluation	strongly agree	5	139	35%	695
	agree	4	176	44%	704
	quite agree	3	82	21%	246
	disagree	2	2	0%	4
	strongly disagree	1	1	1%	1
TOTAL			400	100%	1650

Source: Primary data processed

Based on the table, it can be seen that respondents agree with the internal control system factors that will affect the quality of financial statements in accordance with SAK EMKM at MSMEs in Bogor City. The total score of respondents' responses to the statements on the internal control system factor variables was 1650, with the highest score weighting being 5 and the lowest weighting 1. If classified according to five (5) levels, the range of scores can be calculated using the following formula:

$$Range = \frac{\text{Score Maximum - Score Minimum}}{\text{Total Class}}$$

ScoreMaximum : 5 x f = 5 x 400 =2000
ScoreMinimum : 1 x f = 1 x 400 =400
TotalClass : 5
Range : $\frac{2000-400}{5} = 320$

E. *Description of Business Size Variable Data (X3)*

The following is a detailed description of the Business Size Factors that will affect the Quality of Financial Statements in accordance with the Financial Accounting Standards for Micro, Small and Medium Enterprises (SAK EMKM) presented in the form of the table as follow :

Table 7.
Distribution of Respondents' Responses to Business Size Factors

Indicator	Response	Bobot	f	Percentage	Score
1. Total Assets 2. Number of employees 3. Company income	strongly agree	5	1	0%	5
	Agree	4	1	0%	4
	quite agree	3	34	11%	102
	Disagree	2	196	65%	392
	strongly disagree	1	68	23%	68
TOTAL			300	100%	571

Source: Primary data processed

Based on the table, it can be seen that respondents disagree with business size factors that will affectthequalityoffinancialstatementsinMicro, SmallandMediumEnterprises(MSMEs)in Bogor City. The number of respondents scores on the statement on the variable quality of business size obtainedby571,withthehighestweightscoreis5and thelowestweight1.Ifclassifiedbasedonfive(5) levels, the range of scores can be calculated with the following formula:

$$Range = \frac{\text{Score Maximum - Score Minimum}}{\text{Total Class}}$$

ScoreMaximum : 5 x f = 5 x 300 =1500
ScoreMinimum : 1 x f = 1 x 300 =300
TotalClass : 5
Range : $\frac{1500-300}{5} = 240$

F. *Description of Variable Data Quality in Financial Statements*

The following is a detailed description of the quality of the Financial Statements in accordance with SAK EMKM based on the indicators used contained in the financial report

quality sub-variables presented in the form of the table below, namely:

Table 8.
Distribution of Respondents' Responses to the Quality of Financial Statements

Indicator	Response	Bobot	f	Percentage	Score
1. relevant	strongly agree	5	36	9%	180
2. representative	agree	4	180	45%	720
3. comparability	quite agree	3	126	32%	378
4. understanding					
	disagree	2	53	13%	106
	strongly disagree	1	5	1%	5
TOTAL			400	100%	1389

Source: Primary data processed

Basedonthetable,therespondents'answers whichstatedthatthefinancialstatementspresented hadrelevantindicators, precise representation,comparabilityandcomprehensionw ere720foragreed scores, 378 for quite agreeable scores and 106 for disagreed scores. The total score of respondents' responses to statements on relevant characteristic indicators was 1389, with the highest score weighting being 5 and the lowest weighting 1. If classified by five (5) levels, the range of scores can be calculated using the following formula:

$$\text{Range} = \frac{\text{Score Maximum - Score Minimum}}{\text{Total Class}}$$

ScoreMaximum : 5 x f = 5 x 400 =2000
ScoreMinimum : 1 x f = 1 x 400 =400
TotalClass : 5
Range : $\frac{4000 - 800}{5} = 320$

G. Research Data Analysis

1) Descriptive StatisticalAnalysis

Descriptive statistical analysis in this study was processed using Statistics Product and Service Solution(SPSS). Descriptivestatisticaltestsareperformedtoanalyze databydescribingordescribing the data collected. Descriptive statistics can explain the characteristics of providing an explanation of the minimum value, maximum value, mean value (mean), and standard deviation values of the independent variable and the dependent variable. The following results of descriptive statistical analysis of this study:

Table 9.
Descriptive Statistical Analysis

Statistics

		X1	X 2	X 3	Y
N	Valid	100	100	100	100
	Missing	0	0	0	0
Mean		16,4100	16,2400	5,7100	13,9800
Median		16,0000	16,0000	6,0000	14,0000
Std. Deviation		1,58334	1,63374	1,32798	2,21556
Minimum		11,00	13,00	3,00	8,00
Maximum		20,00	20,00	10,00	19,00

Source: Data processed with SPSS

The table above shows descriptive statistical data from the Quality of Human Resources, Internal Control Systems, Business Size, and Quality of Financial Statements for Micro, Small, and Medium Enterprises in the City of Bogor. It is known from 100 samples in this study, the average value of the Quality of Human Resources (X1) is 16.41, the average value of the Internal Control System (X2) is 16.24, the average value of Business Size (X3) is 5, 71 and the average value of the quality of financial statements (Y) is 13.98.

The minimum value for Quality of Human Resources (X1) is 11.00, the minimum value for Internal Control System (X2) is 13.00, the minimum value for Business Size (X3) is 3.00, and the minimum value for Quality of Financial Statements (Y) is 8.00.

The maximum value for Quality of Human Resources (X1) is 20.00, the maximum value for Internal Control System (X2) is 20.00, the maximum value for Business Size (X3) is 13.00, and the maximum value for Quality of Financial Statements (Y) is 40.00.

2) Validity test

Validity is an index that shows the measuring instrument actually measures what is measured. This validity concerns the accuracy of the instrument. To find out whether the compiled questionnaire is validorvalid,itisnecessarytotestthecorrelationtest betweenthescore(score)ofeachquestionitem or statement with the total score of the questionnaire. Data is called valid if r count> r table. The resultsofthistestcanbeseenintheCorrectedItem-TotalCorrelation(count)valueforeachstatement item compared to r table in the Pearson Product Moment r table. And here are the results of testing the validity of using SPSS:

Table 10.
Validity Test Result of Variable X1

No.	r Hitung	r Table	Description
1	0,658	0,195	Valid

2	0,670	0,195	Valid
3	0,736	0,195	Valid
4	0,644	0,195	Valid

Source: Data processed with SPSS

Based on the test table the results of validity consisting of 4 (four) statement items can be seen for all statement items for the variable quality of Human Resources (X1) has the results of r count> r table. It can be concluded that the statements for the Human Resources variable (X1) are said to be valid and can be used for research.

Table 11.
Validity Test Result of Variable X_2

No.	r Hitung	r Table	Description
1	0,611	0,195	Valid
2	0,573	0,195	Valid
3	0,622	0,195	Valid
4	0,604	0,195	Valid

Source: Data processed with SPSS

Based on the test table the validity results which consist of 4 (four) statement items can be seen for all statement items for the Internal Control System (X2) variables having r count> r tables. It can beconcludedthatthestatementsfortheInternalControlSystem(X2)variablearesaidtobevalidand can be used for research.

Table 12.
Validity Test Result of Variable X_3

No.	r Hitung	r Table	Description
1	0,674	0,195	Valid
2	0,758	0,195	Valid
3	0,745	0,195	Valid

Source: Data processed with SPSS

Table 13.
Validity Test Result of Variable Y

No.	r Hitung	r Table	Description
1	0,717	0,195	Valid
2	0,655	0,195	Valid
3	0,709	0,195	Valid
4	0,670	0,195	Valid

Source: Data processed with SPSS

Based on the test table the validity results consisting of 4 (four) statements above can be seen for all question items for the variable Quality of Financial Statements (Y) has the results r count greater than r table. This means that statements of variable Y it is said to be valid and can be used for research.

3) Reliability Test

This reliability test uses the Alpha Cronbach value, if the Alpha Cronbach value is more than equal to0.6 then the data is reliable. The following are the results of reliability testing for the variable quality of human resources (X1), internal control system (X2), business size (X3), using SPSS.

Table 14.
Reliability Test Result of Variable X1

Reliability Statistics

Cronbach's Alpha	N of Items
,767	5

Source: Data processed with SPSS

Based on the results of the reliability test for the variable quality of Human Resources (X1) obtainedCrobach'sAlphavalueof0.767,wherethes eresultsaregreaterthan0.6whichmeansthatthe statements for the variable quality of Human Resources (X1) are reliable.

Table 15.
Reliability Test Result of Variable X2

Reliability Statistics

Cronbach's Alpha	N of Items
,719	5

Source: Data processed with SPSS

Basedontheresultsofthereliabilitytestforthe variableInternalControlSystem(X2)obtained Cronbach's Alpha value of 0.719, where these results are greater than 0.6 which means that the statements for the variable Internal Control System (X2) are reliable.

Table 16.
Reliability Test Result of Variable X3

Reliability Statistics

Cronbach's Alpha	N of Items
,789	4

Source: Data processed with SPSS

Based on the reliability test results for the Business Size variable (X3), Cronbach's Alpha value is 0.789, where this result is greater than 0.6, which means that the statements for the Business Size variable (X3) are reliable.

Then below are the reliability test results for the variable quality of financial statements in accordance with SAK EMKM (Y):

Table 17.
Reliability Test Result of Variable Y

Reliability Statistics

Cronbach's Alpha	N of Items
,772	5

Source: Data processed with SPSS

Andforthereliabilitytestresultsforthevariable QualityofFinancialStatementsinaccordance withSAKEMKM(Y)obtainedCronbach'sAlphava lueof0.772,wheretheseresultsaregreaterthan0.6 which means that the statements for the variable Quality of Financial Statements in accordance with SAK EMKM (Y) are reliable.

If seen as a whole the results of reliability testing for research variables can be concluded that the statements presented in the questionnaire are reliable.

4) Normality test

A normality test in this study was conducted to determine whether all research variables were normally distributed or not. Normalitytestistestedoneachresearchvariablewhi chincludes: QualityofHuman Resources, Internal Control Systems, Business Size and Quality of Financial Statements. Testing for normalityusestheKolmogorov-Smirnovanalysistechniqueandforitscalculationsus ingtheSPSS24.00forWindowsprogram.Dataissaid tobenormallydistributedifthesignificancevalueisg reater than 0.05 at the significance level α = 0.05. The results of the normality test for each variable and research variable are presented below:

Table18.
NormalityTestResults

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	2,02990344
Most Extreme Differences	Absolute	,082
	Positive	,069
	Negative	-,082
Test Statistic		,082
Asymp. Sig. (2-tailed)		,094[c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: Data processed with SPS

Normality Test Results show the value of sig. 0.094 is greater than 0.05% so it can be concluded that all research variable data are normally distributed.

5) Multicollinearity Test

A multicollinearity test was conducted to determine the amount of interpolation between independent variables in this study. If there is a correlation, then there is a problem called multicollinearity. To detectthepresenceorabsenceofmulticollinearityca nbeseeninthevalueoftoleranceandVIF.If the tolerance value is above 0.1 and the VIF value is below 10 then there is no multicollinearity. The results of the multicollinearity test for the regression model in this study are presented in the table below:

Table 19.
Multicollinearity Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	4,628	2,656		1,742	,085		
	X1	,448	,138	,320	3,259	,002	,905	1,105
	X2	,216	,134	,159	1,613	,110	,899	1,113
	X3	-,264	,159	-,158	-1,661	,100	,964	1,037

a. Dependent Variable: Y

Source: Data processed with SPSS

From the table above it can be seen that the variable Quality of Human Resources (X1) has a tolerancevalueof0.905>0.1andaVIFvalueof1.105 <10,theInternalControlSystemVariable(X2) has a tolerance value of 0.899> 0.1 and a VIF value of 1.113 <10 , Business Size Variable (X3) has a tolerancevalueof0.964>0.1,andaVIFvalueof1.037 <10,soitcanbeconcludedthattheregression model in this study did not occurmulticollinearity.

6) ***HeteroscedasticityTest***

Heteroscedasticity testing aims to test whether in the regression model there is an unequal variance from the residuals of one observation to another (to find out whether there is a relationship between the confounding variables and the independent variables). A good regression model is not heteroscedasticity and to know the existence of heteroscedasticity using the Scatterplot Test using SPSS. If the independent variable is not statistically significant and does not affect the dependent variable, then there is an indication that heteroscedasticity does not occur. The following are the results of the heteroscedasticity test on the regression model in this study:

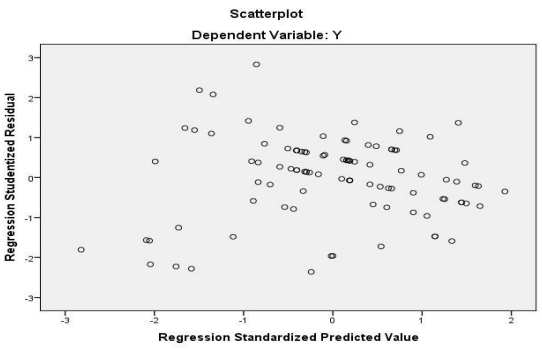

Fig 2: Heteroscedasticity Test Results with Scatterplot
Source: Data processed with SPSS

From the picture above it can be seen that:

1. Spread data points above and below or around0
2. The points do not collect only above or below.
3. The distribution of data points does not form a wavy pattern, widening then narrowing and widening again
4. Distribution of patternless datapoints

From these results, it can be concluded that there were no symptoms of heteroscedasticity in this study.

H. Hypothesis test

1) Multiple Regression Analysis

Table 20.
Multiple Regression Analysis Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	4,628	2,656		1,742	,085
	X1	,448	,138	,320	3,259	,002
	X2	,216	,134	,159	1,613	,110
	X3	-,264	,159	-,158	-1,661	,100

a. Dependent Variable: Y

Source: Data processed with SPSS

Through the table above, it can be seen that the regression coefficient of the human resource quality variable(X1)is0.448,theregressioncoefficientofth einternalcontrolsystemvariable(X2)is0.216, and the business size variable regression coefficient (X3) is -0.264.

Basedontheresultsofthemultipleregressio nanalysiswiththeSPSSprograminthetable above we get the regression equation as shownbelow:

Y = 4,628 + 0,448 + 0,216 – -0,264 + e

Information :

1. Aconstantof4,628indicatesthatifthereisnoinde pendentvariable(X=0),thechangeinthe quality of the financial statements is37,161
2. β1of0.448indicatesthatevery1%increaseinthe QualityofHumanResourceswillbefollowed by an increase in the Quality of FinancialStatements.
3. β2of0.216indicatesthateachincreaseof1%Inter nalControlSystemwillbefollowedbyan increase in the Quality of FinancialStatements.
4. β3of-0.264indicatesthateachincreaseinBusinessSiz eof1%willbefollowedbyadecreasein the Quality of FinancialStatements.

2) Coefficient of Determination

Thecoefficientofdetermination(*R*2)isused tomeasuretheproportionorpercentageofthe contributionoftheindependentvariableunderstudyt otheriseandfallofthedependentvariable.The coefficient of determination also explains how much the dependent variable (Y) can be explained by the independent variable (X1), (X2), (X3). The correlation coefficient (R) explains the magnitude of the relationship between variables X and Y. The relationship can be interpreted through the table below:

Table 21.
Guidelines for the interpretation of the coefficient of determination

Coefficient interval	Level of Influence
0,000 – 0,199	Very low
0,200 – 0,399	Low
0,400 – 0,599	Medium
0,600 – 0,799	Strong
0,800 – 0,999	Very strong

Source: Sugiyono (2016)

Table 22.
Determination Coefficient Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,401[a]	,161	,134	2,06138

a. Predictors: (Constant), X3, X1, X2

b. Dependent Variable: Y

Source: Processed data SPSS

It can be concluded that the contribution of independent variables consisting of variables of human resource quality (X1), Internal Control System (X2), and Business Size (X3) affect the dependent variable Quality of Financial Statements (Y) has a correlation or relationship (R) of 0.401 with Quality Financial Statements which means these values explain that the relationship between variables X and Y is Medium.

The regression model has a coefficient of determination (R2) of 0.161, it can be concluded that the contribution of independent variables consisting of variables of human resource quality (X1), Internal Control System (X2), and Business Size (X3) affect the dependent variable Quality of Financial Statements (Y) by 16.1%

and the remaining 83.9% is explained by other factors not discussed in this study.

3) Test Results F

Simultaneous testing is performed to show whether all independent variables consist of the variables Quality of Human Resources (X1), Internal Control Systems (X2), and Business Size (X3) haveasignificantinfluencesimultaneouslyonthedependentvariableQualityofFinancialStatements (Y).

Table 23.
Test Results F

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78,030	3	26,010	6,121	,001[b]
	Residual	407,930	96	4,249		
	Total	485,960	99			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X1, X2

Source: Data processed with SPSS

Testing the hypothesis of the regression model simultaneously or simultaneously using the F test can be seen Fcount smaller than Ftable (6.121 <2.472) and a significance of 0.001 which means smaller than alpha (α) = 0.05. This can be interpreted that there is a simultaneous influence between the variable Quality of Human Resources (X1), Internal Control System (X2), and Business Size (X3) on the dependent variable Quality of Financial Statements (Y).

4) T-Test Results

The t-test basically shows how far an explanatory variable / independent variable is individually in applying the dependent variable variation (Ghazali, 2007). Testing the regression model partially is used to determine whether each independent variable forming an individual regression model has a significant influence on the Y variable. In this study, the t-test is used to test the variable Quality of Human Resources (X1), Internal Control System (X2), and Business Size (X3).

Table24.
test results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4,628	2,656		1,742	,085
	X1	,448	,138	,320	3,259	,002
	X2	,216	,134	,159	1,613	,110
	X3	-,264	,159	-,158	-1,661	,100

a. Dependent Variable: Y

Source: Processed dataSPSS

1. Variable Quality in Human Resources(X_1)

Theresultsoftestingthehypothesisoftheregr essioncoefficientvariableHumanResources Quality (X1) has a standardized regression coefficient of 0.320. Obtained tcount of 3.259 and obtained a significance value of 0.002 or smaller than P-value = 0.05. This shows that the quality of Human Resources (X1) affects the quality of financialstatements.

2. Internal Control System Variables (X2)

The results of testing the hypothesis of the regression coefficient of the Internal Control System (X2) variable have a standardized regression coefficient of 0.159. Obtained tcount of 1.613 and obtained a significance value of 0.110 or greater than P-value = 0.05. This shows that the Internal Control System (X2) does not affect the quality of financial statements.

3. Business Size(X_3)

The results of testing the hypothesis of the Business Size (X3) variable regression coefficient have a standardized regression coefficient of -0.158. Obtained t-value of -1.666 and obtainedasignificancevalueof0.100orgreaterthantheP-value=0.05.ThisshowsthatBusiness Size (X3) does not affect the quality of financialstatements.

V. CONCLUSION

The results of this study indicate that the Variable Quality of Human Resources (X1) has a significant influence on the Variable Quality of Financial Statements (Y), this is evident from the resultsoftestingwithasignificancevalueof0.002orsmallerthanP-value=0.05.Thenthebetterthe Quality of Human Resources will be increasing the quality of the financial statements presented. While the Internal Control System Variable (X2) does not have a significant effect on the Quality Variable of Financial Statements (Y), this is evident from the results of testing the significance value of0.110orgreaterthanP-value=0.05.DuetoMicro, SmallandMediumEnterprises(MSMEs)in the city of Bogor have not fully implemented the Standard Operating Procedures (SOP), or other internal control systems can affect the quality of financial statements. Although Micro, Small, and Medium Enterprises (MSMEs) in Bogor City have not implemented a good Internal Control System, adequate Human Resources and have experienced inadequate accounting field will

give a good result in the presentation of financial statements. While the Business Vocational Variable (X3) does not significantly influence the quality of financial statements in Micro, Small, and Medium Enterprises (MSMEs) in Bogor City. The size of the business has no effect on the preparation of financial statements because the size of a business does not impact Micro, Small, and Medium Enterprises (MSMEs) towards a better understanding of Small and Medium Enterprise Finance Accounting Standards (SAKEMKM).

The magnitude of the joint effect between the variable quality of human resources, internal control systems, and business size on the quality of the financial statements of Micro, Small, and Medium Enterprises in the City of Bogor can be seen from the magnitude of the coefficient of determination or R2thatisequalto0.161or 16.1%.Whiletheremaining83.9%isexplainedbyother causes are not explained in this study.

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