Research Article

Factors Affecting Disclosure of Internet Financial Reporting in The Government of The Bangka Belitung Islands

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ABSTRACT

This study aims to examine the disclosure of regional financial statements in terms of political competition, government complexity and level of financial dependence. The research conducted is an empirical study. Empirical studies were conducted using secondary data obtained from observations. The research subjects are districts and cities in the province of the islands of Bangka Belitung, totaling 6 districts and 1 city. The object of research is the size, wealth, complexity, regional dependence and political competition on the disclosure of Internet Financial Reporting. The population of this study is all regencies and cities in the Province of the Bangka Belitung Islands from 2017 to 2020. The sample used in this study is a saturated sample where all members of the population are used as samples. The results show that the size of the local government does not affect the disclosure of internet financial reporting, the wealth of the local government has an effect on the disclosure of internet financial reporting, political competition has no effect on the disclosure of internet financial reporting and regional complexity has no effect on the disclosure of internet financial reporting.

Keywords: *Education, Wi-Fi, Learning Resources Local Government Size, Local Government Wealth, Political Competition, Regional Complexity, Internet Financial Reporting*

Introduction

Transparency and accountability in the public sector in this era are essential topics to be studied, accountability requires the government to increase transparency, one of these conditions is by fully disclosing information to the public in preventing corrupt practices and inefficiency of public resources. The existence of open government is a program for the government in an effort to increase transparency.

Based on the survey results of the Indonesian Internet Service Providers Association (APJII, 2016) the number of internet users in Indonesia grew by 132.7 million users. This figure is quite high compared to the survey results in 2014 which showed the number of Indone-

sian internet users amounted to 88 million users. The figure of 132.7 million users means that 50 percent of the total population or the population of Indonesia has penetrated 51.8 percent.

The Presidential Instruction of the Republic of Indonesia Number 3 of 2003 states: The rapid advancement of communication and information technology and the potential for its wide use, opens up opportunities for fast and accurate access, management and utilization of large volumes of information. In order to implement good governance and improve effective and efficient public services, it is necessary to have e-government development policies and strategies.

According to Law no. 14 of 2008 concerning Openness of Public Information which states that every public information must be open, and can be accessed by users quickly, on time, at low cost, and in a simple way. Local governments (PEMDAs) must be able to provide information that can be easily accessed by the public and other users as a step in increasing transparency. In order to increase transparency, local governments can use the internet to present their financial reports.

Pina, Torres, and Royo (2010) the application of web-based technology has become a global trend in public administration. There is global pressure for public sector reform efforts, in the globalization of the 21st century by creating interactive offers of initiatives and demands that put governments around the world under pressure to change and innovate that bureaucracies must relate to their citizens.

The law has mandated every central and regional government to compile financial reports and submit them to the House of Representatives (DPR). Although the government has submitted these financial reports to the DPR as the people's representative in government, the financial reports have not been widely accessible to the public. This is one of the obstacles given the large population and wide area.To overcome this in order to increase transparency and accountability in financial management, the government can use internet media to present and disseminate its financial reports (Pina et al., 2010; Wau and Ratmono, 2015) With affordable access to government financial

information, the public can know and monitor government programs and assess the government's performance in managing its finances (Kelton and Yang, 2008; Styles and Tennyson, 2007).

Financial reporting via the internet is a cheap but cost effective way for LGs to present information on financial management (Styles and Tennyson, 2007). One of the main benefits of Internet Financial Reporting is the potential for huge savings in the costs of producing and distributing financial information. The internet allows the government to reach a wider variety of stakeholders at a relatively lower cost (bin Au Khan and bin Ismail, 2012 and Ismail, 2012).

Characteristics of the territory of Indonesia with a very wide geographical condition, Internet Financial Reporting facilitates the accessibility of financial reports for the public. Internet Financial Reporting should be a more important means to increase the disclosure of public information. Law Number 11 of 2008 concerning Information and Electronic Transactions states: The globalization of information has placed Indonesia as part of the world information society so that it requires the establishment of regulations regarding the management of information and electronic transactions at the national level so that the development of information technology can be carried out optimally, equitably, and spread to all levels of society in order to educate the nation's life. Likewise, the Bangka region which has a large area is very important for the accessibility, disclosure and availability of financial reports in every city and district.

There have been many studies examining the level of disclosure, but generally these studies have been conducted in the private sector. Empirical research that raises the issue of disclosure of Internet Financial Reporting, namely Groff and Pitman (2004) and Styles and Tennyson (2007) for the United States context (Laswad, Fisher, and Oyelere, 2005) for the New Zealand context and JM Pina, Martinez, Chernatony, and Drury, (2006) and the Swedish state research Jonsson, Priebe, Bladh, and Svedin, (2014). The five results of these studies show that empirical evidence is still inconsistent, so that further research is needed on the Internet Financial Reporting of Regional

Governments. Research by Laswad et al. (2005) show that leverage, wealth, visibility of the press (media) and type of government have a positive effect on government financial reporting on the internet, while size and political competition do not show any influence on local government financial reporting.

In Indonesia, Wau and Ratmono (2015)) research on Internet Financial Reporting is more specific to examine the variables that affect the transparency and accountability of local governments (Pemda) as measured by the level of availability and accessibility of local government financial data (APBD/LKPD) through its official website. . Ratmono's research (2013) shows the variables of total expenditure, capital expenditure, and the ratio of capital expenditure to total expenditure as important determinants that affect the level of availability of Internet Financial Reporting. The variable of the level of financial dependence of the Regional Government as an important determinant of the level of access to Internet Financial Reporting. This research is to see the accessibility, availability and disclosure of regional financial statements as seen from political competition, government complexity and level of financial dependence.

Literature Review
Signaling Theory

Watts, Zimmerman, and Cliffs (1986) state that the signaling theory is about how local governments should give signals to users of financial statements. Signal theory explains that signaling is done by managers to reduce information asymmetry (Bergh, Connelly, Ketchen, and Shannon, 2014). According to Bolós et al., (2009) there are 3 main motivations for voluntary disclosure of local government financial statements, namely the innovation diffusion theory, institutional theory, and economic based theories. . This economic-based theory is divided into 4 theories, namely agency theory, capital need theory, legitimacy theory, and signaling theory.

Signaling theory in its context states that the government tries to give a good signal to the people. The goal is that the people can continue to support the current government so that the government can run well. Financial reports can be used as a means to give a signal to the people. Good government performance needs to be informed to the people both as a form of accountability and as a form of promotion for political purposes.

Institutional Theory

Selznick (1948) an American sociologist observed that organizations not only adapt to the aspirations of their internal groups but also to external societal values. Scott, (1987) defines institutionalization as a process by which repetitive actions occur and are given the same meaning as oneself and others (Bolós et al., 2009). Some actions are repeated because of explicit rules or laws that exist to ensure their repetition, such as legal and political influence, while other actions are supported by standards, values, expectations and cultural influences.

According to Amenta and Ramsey (2010) the adoption of practices or structures in order to gain legitimacy can occur in organizations through 3 mechanisms (referred to as isomorphism), namely:

i) Coercive isomorphism is the result of political influence and legitimacy. The formal and informal pressure will be used by the organization with other organizations or the socio-cultural environment of which the organization is a member.

ii) Mimetic isomorphism (through imitation of other organizations that have successfully adopted what should be done).

iii) Normative isomorphism (arising from values and norms). Values and norms can originate within one organization in response to the environment and then spread to other organizations as they adopt them in a search for legitimacy.

Local government financial reporting practices via the internet (Internet Financial Reporting), according to institutional theory, can be viewed as an adoption of socially acceptable practices in order to gain legitimacy from their institutional context. Internet Financial Reporting is carried out by the Regional Government in order to gain legitimacy from the community, the Central Government or other organizations that the Regional Government has the

ability and good commitment in managing regional finances.

Regional Financial Reporting

Public sector financial statements are a representation of the financial position of transactions carried out by a public sector entity. The general purpose of financial reporting is to provide information about performance, and financial reports that are useful to a wide range of users who are needed to make and evaluate decisions and demonstrate accountability for the resources entrusted to them (Bastian, 2010).

Submission of Regional Government Financial Reports (LKPD) by local governments is stipulated in the Law of the Republic of Indonesia Number 17 of 2003 Article 31:

1. The Governor/Regent/Mayor submits a draft regional regulation on accountability for the implementation of the APBD to the DPRD in the form of a financial report that has been audited by the Supreme Audit Agency, no later than 6 (six) months after the end of the fiscal year.
2. The financial statements referred to at least include the APBD Realization Report, Balance Sheet, Cash Flow Report, and Notes to Financial Statements, which are attached with the financial statements of regional companies.
3. Reporting is carried out to provide open and honest financial information to the public based on the consideration that the public has the right to know openly and thoroughly the government's accountability in managing the resources entrusted to it and its compliance with laws and regulations (PSAP 01, 2010)

Internet Financial Reporting

A number of academic and professional studies have examined and presented evidence of Internet Financial Reporting practice in various countries. These include, Laswad et al., (2005), Yap, Saleh, and Abessi (2011), Styles and Tennyson (2007) and (Bozcuk, 2012). They point to the increasing use of the Internet for corporate information dissemination, including providing annual reports on the Internet, and that the level and sophistication of I

nternet Financial Reporting practices vary by country.

The Internet provides a useful communication tool for corporate organizations. One of the main benefits of Internet Financial Reporting is the potential for substantial savings in the costs of producing and distributing financial information. The Internet allows governments to reach a wider range of stakeholders at relatively lower costs.

The Government Finance Officers Association (GFOA, 2010) has long encouraged governments to demonstrate accountability and transparency by making high-quality financial information easily accessible to citizens and other interested parties. A government website is perfect for this purpose. Benefits of using government websites to communicate financial information include:

1. The higher awareness (heightened awareness). Many potential users of government financial information can find the information available because they find it on websites.
2. Universal accessibility (universal accessibility). The information provided on this website is made available to various users (e.g., citizens, rating agencies, regulatory agencies, other governments, and the press) at no charge.
3. Increased potential for interaction with users. A website can offer two-way, multi-conversation, or interactive formats. This capacity may be of great help in locating proposed documents or community surveys.
4. Increased diversity (enhanced diversity). A website may offer the possibility of providing the same financial information in multiple languages, which may be required according to the policies of certain government entities.
5. The analysis is facilitated (facilitated analysis). Computerized tools can be used to find, extract, and analyze data presented in electronic form.
6. Increase efficiency (increased efficiency). Presents all financial information in one location that can help facilitate the search for financial statements that have been made.
7. Lower costs. Electronic publication can provide information relatively quickly and can

reduce or eliminate many of the costs associated with producing hardcopy reports.

8. Contribution to sustainability. Using websites to disseminate financial information can reduce paper consumption, thereby contributing to sustainable value.

9. Expanding potential scope (broadened potential scope). The use of hyperlinks allows for easy reference of relevant information from other sites.

Research Hypothesis
The Effect of Local Government Size on Internet Financial Reporting Disclosure

The size of a particular regional government which is usually measured by total assets is a measure of the Regional Government (PEMDA). Local governments with large assets are considered to have the potential to serve the community better. Automatically the performance of the local government will increase according to the size of its assets (Alvini, 2018). The large size of the local government indicates a large amount of wealth so that people will be more aware of government activities for fear that the funds managed are misappropriated. Research conducted by Nosihana and Yaya (2016) concluded that the size of the local government (size) has a positive and significant influence on the disclosure of financial statements via the internet through e-government. However, research by Anggara and Cheisviyanny (2020) shows that the size of the local government has no significant effect on the level of disclosure of local government financial statements. Based on previous research and statements, the authors formulate the following hypotheses:

H1: The size of the local government has a positive and significant effect on the disclosure of Internet Financial Reporting.

The Influence of Regional Wealth on Disclosure of Internet Financial Reporting

Regional government wealth which is categorized as large tends to be misappropriated (Trisnawati and Achmad, 2014; Istikomah and Mutmainah, 2017). This will cause the public to supervise the management of local government assets and encourage local governments to make financial information transparency. Local governments with large wealth will bear higher monitoring costs to meet the demands of public transparency. One way to meet the demands for transparency of financial information at a low and effective cost is to provide easy access to INTERNET FINANCIAL REPORTING on the official local government website. The results of research by García (2010), Purwanti and Suparman, (2017) Rahman, Sutaryo and Budiatmo (2013), Setyowati, (2016), and Nurhidayati (Rahayu, 2020).

H2: The wealth of the local government has a positive and significant effect on the disclosure of Internet Financial Reporting

The Effect of Political Competition on Disclosure of Internet Financial Reporting

Once elected, politicians usually ignore election promises made earlier without direct punishment. However, this opportunistic behavior may be reduced if there is strong opposition to monitoring groups in the government. Political rivals in this case will ask to inform any public opinion related to deviations in government actions from election promises made. Information is indispensable in carrying out the supervisory function, one of which is through the website which is one of the most effective tools for reporting information (Oyelere et al., 2003). Afryansyah's research (2013) found that political competition had no effect on the disclosure of Regional Financial Statements. Similarly, financial reporting media is informed via the internet, therefore regions with high political competition will have high political competition tend to do financial reporting on the internet as a result of high monitoring by their political competitors compared to regions with low political competence.

H3: Political Composition has a positive and significant effect on the disclosure of Internet Financial Reporting

The Effect of Government Complexity on Disclosure of Internet Financial Reporting

The population is a proxy for the complexity of the government. Complexity does not hinder the level of disclosure but can even increase the level of disclosure (Nurhayati and Rohalia, 2018). Residents are considered as stakehold-

ers in local government institutions, considering that residents have an important role in encouraging the government to be transparent. If the population increases, the pressure or demand for the publication of financial information will increase. Alhajjriana et al., (2018). Local governments with large populations will require greater supervision and reporting of financial information, this will result in higher bonding costs.

According to Alhajjriana et al., (2018), with the large number of residents in a local government, the greater the costs that need to be incurred in an effort to provide information evenly so that there is no information asymmetry. To be able to reduce costs in conducting supervision, the government can reduce it by publishing financial reports via the internet which can be easily accessed by anyone. Utami and Sulardi (2019), Hilmi and Martani (2012) conducted a study with the results that the population has a positive effect on the level of disclosure of financial information on government websites.

H4: Government Complexity has a positive and significant effect on the disclosure of Internet Financial Reporting

Research Methodology
This type of research is an empirical study. Empirical studies were conducted using secondary data obtained from observations. The research subjects are districts and cities in the province of the islands of Bangka Belitung, totaling 6 districts and 1 city. The object of research is the size, wealth, complexity, regional dependence and political competition on the disclosure of Internet Financial Reporting. The population of this study is all regencies and cities in the Province of the Bangka Belitung Islands from 2017 to 2020. The sample used in this study is a saturated sample where all members of the population are used as samples.

The data analysis technique in this study consisted of classical assumption tests (normality test, multicollinearity, heteroscedasticity, autocorrelation), multiple linear regression analysis and hypothesis testing (coefficient of determination, t test and f test). The data analysis method in this study uses multiple lin-

ear regression analysis, regression is a statistical technique (analysis tool) used to estimate or predict the relationship of one variable to another variable through the regression line equation. Regression analysis can be a straight line (linear) and non-linear.

Dependent Variable
Disclosure
The measurement of financial statement disclosure consists of five indicators, namely:
1. Financial news, in the form of news about the budget process, budget absorption, local government financial reports and BPK audit results
2. The APBD consists of the initial APBD, the revised APBD and the realization of the APBD
3. Financial statements consist of balance sheets, budget realization reports, cash flow reports and notes to financial statements
4. Performance Report consists of LAKIP, LPPD and ILPPD
5. Regions in Numbers

After the checklist is made, observations are made on each local government website to assess the availability of information based on the checklist. If there is information, it will be given a value of 1 and if there is no it will be given a value of 0. The value of the level of disclosure is obtained by dividing the total value obtained by each local government by the total number of checklist items (17 items). Furthermore, from the disclosure level data obtained based on the checklist, a descriptive analysis will then be carried out to see how the local government's level of disclosure in general and based on each group of indicators.

Independent Variable
1. Government Size
2. The size of the local government is measured by how large the assets owned by the local government or in other words the size of the government can be seen from the total assets owned by the local government.
3. Regional Wealth
4. Regional wealth in this study is expressed in Regional Original Income (PAD).

5. Political Competition
6. Political competition is measured by looking at the number of regional head candidates in the last regional election.
7. Government Complexity
8. The complexity of the government is projected by the number of residents which gives impetus to local government.

Classic assumption test
a. Normality Test

The normality test aims to find out and test whether the data is normally distributed or not, by looking at the picture below. Based on the graph of the normality test the probability value of J-Bcount is 0.376107 which is greater than = 0.05. It can be concluded that the data from this study are normally distributed.
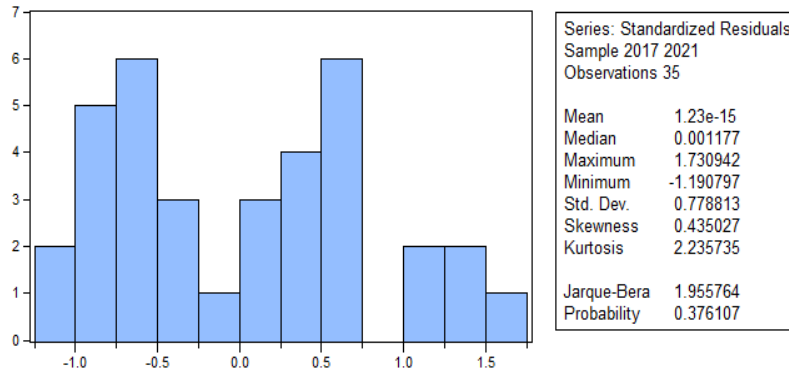

Figure IV.1. Histogram Normality Test Results

b. Multicollinearity Test

Multicollinearity test aims to see whether or not there is a high correlation between the independent variables in a multiple regression model. The basis for making decisions in this test are:

1) Looking at the VIF value, if the value is greater than > 0.10 then it means that there is no multicollinearity.
2) Looking at the VIF value, if the VIF value is less than 10.00, it means that there is no multicollinearity.

Table IV.1. Multicollinearity Test Results

1)	UP	KD	KP	KO
UP	1.000000	-0.081458	0.183544	0.211417
KD	-0.081458	1.000000	-0.292906	0.065910
KP	0.183544	-0.292906	1.000000	0.024310
KO	0.211417	0.065910	0.024310	1.000000

Based on Table IV.1, the correlation value between Regional Government Size, Regional Government Wealth, Political Competition, Regional Complexity does not exceed 0.90. So, it can be concluded that there is no correlation between independent variables (independent) or there is no multicollinearity.

c. Autocorrelation Test

Breusch-Godfrey as part of non-parametric statistics that can be used to test whether the residual value has a high correlation or not. Table IV.2 shows that the significance value of Prob. Chi-Square(2) of 0.0512 or greater than 0.05 means that it can be concluded that the residual value is free from autocorrelation.

Table. IV.2. Autocorrelation Test Results
Breusch-Godfrey Serial Correlation LM Test:

F-statistic	4.833350	Prob. F (2,28)	0.0157
Obs*R-squared	8.982325	Prob. Chi-Square (2)	0.0512

Test Equation:
Dependent Variable: RESID
Method: Least Squares
Date: 08/10/21   Time: 04:54
Sample: 1 35
Included observations: 35
Presample missing value lagged residuals set to zero.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.706858	0.826073	0.855685	0.3994
UP	-6.44E-13	3.48E-12	-0.185217	0.8544
KD	-1.075876	1.180304	-0.911525	0.3698
KP	-0.073899	0.098182	-0.752677	0.4579
KO	1.86E-07	2.10E-06	0.088207	0.9303
RESID(-1)	0.602061	0.194577	3.094205	0.0044
RESID(-2)	-0.162875	0.247666	-0.657640	0.5161

R-squared	0.256638	Mean dependent var		1.28E-15
Adjusted R-squared	0.097346	S.D. dependent var		0.733099
S.E. of regression	0.696503	Akaike info criterion		2.291368
Sum squared resid	13.58327	Schwarz criterion		2.602437
Log likelihood	-33.09894	Hannan-Quinn criter.		2.398749
F-statistic	1.611117	Durbin-Watson stat		1.866088
Prob(F-statistic)	0.181062			

d. Heteroscedasticity Test

Heteroscedasticity test is to see whether there is an inequality of variance from one residual to another observation. A good regression equation is an equation that has homoscedasticity or does not occur hoteroscedasticity. If the significance value of each independent variable is greater than 0.05, then the study is free from heteroscedasticity. In this study using the Glejser test to test the values for all independent variables with absolute residuals whether above the significance value of 0.05 or the confidence level (5%). If you look at the value of Prob. Chi-Square (which is Obs*R-squared) is 0.2052 > 0.05, so it can be concluded that there is no heteroscedasticity problem.

The following table results from the glejser test:
Table IV.3. Heteroscedasticity Test Results

Heteroskedasticity Test: White			
F-statistic	1.518592	Prob. F(14,20)	0.1917
Obs*R-squared	18.03454	Prob. Chi-Square(14)	0.2052
Scaled explained SS	14.52457	Prob. Chi-Square(14)	0.4114

Test Equation:
Dependent Variable: RESID^2
Method: Least Squares
Date: 08/10/21   Time: 04:57
Sample: 1 35
Included observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7.736056	11.98321	0.645575	0.5259
UP^2	2.63E-22	1.32E-22	1.995241	0.0598
UP*KD	3.73E-11	3.61E-11	1.030971	0.3149
UP*KP	-2.73E-12	4.24E-12	-0.643406	0.5273
UP*KO	4.57E-16	3.98E-16	1.149267	0.2640
UP	-1.59E-10	9.09E-11	-1.755334	0.0945
KD^2	-1.213905	15.55751	-0.078027	0.9386
KD*KP	-2.329003	7.112363	-0.327458	0.7467
KD*KO	-8.17E-06	1.97E-05	-0.413824	0.6834
KD	0.881872	22.00327	0.040079	0.9684
KP^2	-0.328305	0.139499	-2.353467	0.0289
KP*KO	-3.48E-06	2.91E-06	-1.195193	0.2460
KP	3.394401	3.823479	0.887778	0.3852
KO^2	-1.08E-10	6.55E-11	-1.655162	0.1135
KO	-1.06E-06	2.70E-05	-0.039192	0.9691

R-squared	0.515272	Mean dependent var	0.522078
Adjusted R-squared	0.175963	S.D. dependent var	0.784316
S.E. of regression	0.711975	Akaike info criterion	2.455979
Sum squared resid	10.13816	Schwarz criterion	3.122556
Log likelihood	-27.97963	Hannan-Quinn criter.	2.686081
F-statistic	1.518592	Durbin-Watson stat	2.226485
Prob(F-statistic)	0.191666		

Multiple Linear Regression Analysis

The data analysis technique used in this research is multiple regression analysis. Multiple regression analysis was used to determine the effect between the independent variable and the dependent variable. The following are the results of multiple linear regression analysis which have been presented in the table below:

Table IV.4. Multiple Regression Analysis Test Results

Dependent Variable: PE
Method: Panel EGLS (Cross-section random effects)
Date: 08/10/21   Time: 04:41
Sample: 2017 2021
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.810379	1.246759	4.660387	0.0001
UP	0,003453	7.23E-12	0.047677	0.9623
KD	-1.936918	0.866721	-2.234766	0.0330
KP	0.006977	0.084435	0.082632	0.9347
KO	-0,635006	5.57E-06	-1.140693	0.2630

Effects Specification			
		S.D.	Rho
Cross-section random		0.815489	0.6869
Idiosyncratic random		0.550619	0.3131
Weighted Statistics			
R-squared	0.223330	Mean dependent var	0.974572
Adjusted R-squared	0.119774	S.D. dependent var	0.595377
S.E. of regression	0.558585	Sum squared resid	9.360507
F-statistic	2.156614	Durbin-Watson stat	1.854612
Prob(F-statistic)	0.098182		
Unweighted Statistics			
R-squared	0.316483	Mean dependent var	3.371429
Sum squared resid	20.62269	Durbin-Watson stat	0.841797

Based on table IV.4 it can be formulated:

$$PE = 5,8103 + 0,0034UP - 1,9369KD + 0,0069KP - 0,6350KO + \varepsilon$$

Based on the test results, it can be seen that the constant value is 5.8103, which means if the size of the local government, local government wealth, political competition and regional complexity is 0 (zero), then the value of the Internet Financial Reporting Disclosure variable is 5.8103.

The value of the Local Government Size variable on Internet Financial Reporting Disclosure is 0.0034, meaning that if the Local Government Size variable increases, the Internet Financial Reporting Disclosure variable will also increase by 0.0034.

Then the value of the Regional Government Wealth variable on Internet Financial Reporting Disclosure is –1.9369, meaning that the Re-gional Government Wealth variable has the op-posite or negative direction. If the Local Gov-ernment Wealth increases, it will decrease In-ternet Financial Reporting Disclosure by 1.9369.

Furthermore, the value of Political Compe-tition on Internet Financial Reporting Disclo-sure is 0.0069. It means, if Political Competition increases, Internet Financial Reporting Disclo-sure will also increase by 0.0069.

The last is the value of the Regional Com-plexity variable on Internet Financial Report-ing Disclosure is 0.6350. That is, if the Regional Complexity increases, the Disclosure of Inter-net Financial Reporting will also increase by 0.6350.

Hypothesis Testing
To test the hypothesis can be presented in the following table:
Table IV.5. Hypothesis Test Results

Dependent Variable: PE
Method: Panel EGLS (Cross-section random effects)
Date: 08/10/21   Time: 04:41
Sample: 2017 2021
Periods included: 5
Cross-sections included: 7
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Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.810379	1.246759	4.660387	0.0001
UP	0,003453	7.23E-12	0.047677	0.9623

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KD	-1.936918	0.866721	-2.234766	0.0330
KP	0.006977	0.084435	0.082632	0.9347
KO	-0,635006	5.57E-06	-1.140693	0.2630

Effects Specification			
		S.D.	Rho
Cross-section random		0.815489	0.6869
Idiosyncratic random		0.550619	0.3131
Weighted Statistics			
R-squared	0.223330	Mean dependent var	0.974572
Adjusted R-squared	0.119774	S.D. dependent var	0.595377
S.E. of regression	0.558585	Sum squared resid	9.360507
F-statistic	2.156614	Durbin-Watson stat	1.854612
Prob(F-statistic)	0.098182		
Unweighted Statistics			
R-squared	0.316483	Mean dependent var	3.371429
Sum squared resid	20.62269	Durbin-Watson stat	0.841797

Individual Parameter Significant Test (t Test)

Partial test (t test) is a test conducted to see whether an independent variable has an effect or not on the dependent variable by comparing the value of tcount with ttable. The criteria in this test are as follows:

1) If the value of sig < 0.05, or t count > from t table, then there is an effect of variable X on variable Y. On the other hand, if
2) If the value of sig > 0.05, or t count < from t table, then there is no effect of variable X on variable Y.

Based on Table IV.5 it can be explained as follows:

The first variable is the size of the local government, which has a significance value of 0.9623 or greater than 0.05, meaning that the size of the local government has no effect on Internet Financial Reporting Disclosure. Thus, the results of the study do not support the first hypothesis (Ha1) or the first hypothesis (Ha1) is rejected.

The second variable is Local Government Wealth which has a significance value of 0.0330 or less than 0.05, meaning that Local Government Wealth has an effect on Internet Financial Reporting Disclosure. Thus, the results of the study support the second hypothesis (Ha2) or the second hypothesis (Ha2) is accepted.

The third variable is Political Competition which has a significance value of 0.9347 or greater than 0.05, meaning that Political Competition has no effect on Disclosure of Internet Financial Reporting. Thus, the results of the study do not support the third hypothesis (Ha3) or the third hypothesis (Ha3) is rejected.

The fourth variable is Regional Complexity which has a significance value of 0.2630 or greater than 0.05, meaning that Regional Complexity has no effect on Disclosure of Internet Financial Reporting. Thus, the results of the study do not support the fourth hypothesis (Ha4) or the fourth hypothesis (Ha4) is rejected.

Simultaneous Significance Test (F Test)

1. If the value of sig < 0.05, or F count > F table, then there is a simultaneous effect of variable X on variable Y. On the other hand, if
2. If the value of sig > 0.05, or F count < F table, then there is no effect of variable X simultaneously on variable Y.

Based on Table IV.5, it is known that the significance value for the influence of the Size of Local Government, Regional Wealth, Political

Composition and Regional Complexity simultaneously on Disclosure of Internet Financial Reporting is 0.098182 > 0.05 so it can be concluded that the Size of Local Government, Regional Wealth, Political Composition and Regional Complexity together have no effect on Disclosure of Internet Financial Reporting.

Coefficient of Determination (R²)

The coefficient of determination (R^2) essentially measures how far the model's ability to explain the variation of the independent variables. The coefficient of determination is used because it can explain the goodness of the regression model in predicting variables.

The value of R Square in the regression model is 0.119774. This shows that 11.97% of the dependent variable, namely Disclosure of Internet Financial Reporting, can be explained by the independent variable in the model, which consists of the size of the local government, regional wealth, political composition and regional complexity. While the remaining 88.03% is explained by other variables outside the model.

Conclusion

Based on the results of the research and discussion that have been described in the previous chapter, the researchers can draw the following conclusions.
1. The size of the Regional Government has no effect on Disclosure of Internet Financial Reporting.
2. Local Government Wealth has an effect on Disclosure of Internet Financial Reporting.
3. Political Competition has no effect on Internet Financial Reporting Disclosure
4. Regional Complexity has no effect on Internet Financial Reporting Disclosure

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