



The Determinant of Regional Financial Information Transparency on the Official Website of Local Government

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ABSTRACT

This study aims to determine the effect of political competition, local government's size, local government's financial independency, audit opinion, and complexity of government to the availability and accessibility of regional financial information (IKD) on the official website of the local government. The measurement of the availability of IKD used component total of LKPD and APBD 2015, while the measurement accessibility of IKD used index of IKD. The population of this study is all of local governments on Java Island that consist of regency government, and district government. The amount of local governments is 119. To collect the data, the writer took 91 local governments from the population as the sample by using Purposive Sampling. The writer also used documentation technique to collect data. Research data analysis uses descriptive analysis statistical and multiple regression analysis with SPSS version 21. The result of this research showed that political competition and audit opinion gives effect to IKD availability on the first research model. The second research model results are political competition and complexity of government gives effect to regional financial information accessibility. The conclusion of this study explain political competition, audit opinion and government complexity affect the availability and accessibility of IKD.

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INTRODUCTION

Transparency of a public agency, which can be understood as the ease of disclosure and access to the acquisition of local financial information. The benefits of transparency in financial information according to Munoz & Bolivar (2015) is in order to control the use of public resources and achieve sustainable financial balance in public administration. Increased transparency can be seen from the availability of an information and ease in obtaining such information to the public. Attention to increased transparency in Indonesia is found in Law of the Republic of Indonesia No.14. regarding Public Information Openness (2008) which governs all the levels of public officials to be more transparent, accountable, and oriented to the best of people's services.

The efforts to increase the transparency of local budget management as well as the prevention and eradication of corruption is the government issued Instruction of the Minister of Home Affairs of the Republic of Indonesia No. 188.52/1797/SJ., (2012) on improving the transparency of local budget management. This

regulation instructs heads of regions to prepare content names under the name "Transparency of Local Budget Management" in the official website of local government. The regulation also instructs head of regions to publish up-to-date data in the content menu. The Open Budget Index (OBI) 2015 launched by the International Budget Partnership (IBP) and the Indonesian Forum for Budget Transparency (FITRA) shows that the index of budget transparency in Indonesia has decreased in value from 62 (2012) to 59 (2015). Financial statement is a structured report regarding the financial position and transactions conducted by a reporting entity.

The result of research conducted by Nosihana & Yaya (2016) political competition influences on the publication of financial statements through internet while research conducted by Laswad (2005) and Wau (2015) showed that political competition has no effect on the reporting of Internet Financial Reporting. Nosihana & Yaya (2016) stated that the size of local government affects on the publication of financial statements through internet however Wau (2015) showed that the size of local government has no effect on the reporting of Internet Financial Reporting. However, on his research, Wau, (2015) showed that financial independence and audit opinion are influential with the reporting of Internet Fi-

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nancial Reporting whereas Nosihana & Yaya (2016) and Nainggolan & Purwanti (2014) showed that financial independence and audit opinion affect on the publication of financial statements. Medina (2012) conducted a research on the factors which affect the transparency of financial information on the official site of the local government. Her research showed that the complexity of local governments affect on the publication of financial statements as well as with Laswad (2005) who stated the same, whereas on Nosihana & Yaya (2016) the complexity of the government has no effect on the publication of financial statements through internet.

Submission of local financial information (IKD) through internet (internet financial reporting) is the easiest and effective cost way for local government agencies to disseminate and present information on the management of regional financial (Styles & Tennyson, 2007a). The component of transparency aims to facilitate access to information and encourage community participation that includes comprehensive information, timeliness in information services, the availability of information for the public and accessibility or ensuring the arrival of information to the public. Research conducted by Pina, V. Torres & Royo (2010) stated that accessible access to government financial information, the public can know and supervise government programs and assess government performance in managing its finances. The utilization of internet as a medium in the delivery of financial information by the local government has not been maximized, Sofia & Husen (2013) explained that the average index of disclosure level of financial information is very low namely 9.9%. This indicates that local governments in Java are still largely missing the feature of financial information in their website.

Transparency and accountability are the consequences of agency problem that is government as agent and society as principal (Zimmerman, 1977). The absence of public transparency will cause adverse negative impacts on the community, namely the occurrence of resource irregularities, injustice for the community, increased corruption practices, and abuse of authority (Rahmawati, 2015). This research is based on agency theory and legitimacy theory. Agency theory explains the existence of information asymmetry occurs because of differences in information between government (agent) and society (principal) (Jensen & Meckling, 1976). The Government has a lot of information in connection with its duties in carrying out the management of government affairs, so it is obliged to report the results of the implementation of its government affairs. The provision of local financial information becomes a means of delivering information to the public. Local governments in carrying out their responsibilities can be realized by utilizing internet and website as a medium in conveying local financial information to the community. Wau (2015) stated that local governments have not been maximized in utilizing website as a medium of government financial reporting and there is diversity in the availability and accessibility of the components of the Local Government Financial Statements (LKPD). One of the ways that can be taken by the government is

to provide ease in accessing financial information on the government website as an efficient alternative media.

The theory of legitimacy explains that organizations continually seek ways to ensure that the organizations operate within the constraints and norms that exist within the community (Deegan, 2000). Sinaga & Prabowo (2011) the theory of legitimacy suggests the organization to ensure that its activities and performance are acceptable to society. It is similarly with local government. As there is a guarantee of post-reform democracy, communities are becoming increasingly critical in overseeing local financial management. The availability of local financial information becomes an evidence provided by the government to the public, so that the government can show a good image as expected by the community. One of the ways to facilitate the creation of local financial information transparency is to provide Local Government Financial Statements (LKPD) and Regional Revenue and Expenditure Budget (APBD). Furthermore, the government will always strive to meet the demands and interests of the community with the aim that the community continues to support the current government, so that the government can run well. Public demand to local government is in the form of easiness of society in accessing local financial information.

APBD occupies a central position in the development of capability, efficiency, and effectiveness of local governments (Noviyanti & Kiswanto., 2016). However, so far, there are a few researches that examine the factors that influence the government's encouragement to disclose its financial information. The existing research is still limited to the private sector. Internet becomes a tool for researching voluntary disclosure of financial information reporting in the local government environment (Laswad, 2005).

Political competition is a competition which aims to gain power in controlling the government and allocating resources available to meet the interests of society as well as political interests. The existence of a political composition that is political power in a region such as how the power is implemented, how to be distributed and why a particular party has greater power than others in certain circumstances. The better political competition in a region, the stronger and better the political forces that support to compete in giving the best for society. Public perceptions to government performance are heavily influenced by emerging issues and media reports. They will also monitor the fulfilment of political promises made during the campaign (Wau, 2015). This causes the local government which competes in high-level politic bears higher monitoring costs by providing further information indicating the fulfilment of their promises before the election (Laswad, 2005).

The theory of legitimacy also states that entities with large political competition will become more publicly visible and gain greater pressure in providing local financial information on the official website of local government so that the local governments will perform their duties appropriately. The higher the political competition, it is expected that local governments can also increase the fulfilment of demands and interests of the

community. Research conducted by Nosihana & Yaya (2016) has shown that political competition has an effect on the publication of financial statements through internet. Agency theory explains that high political competition will increase the participation of many parties in monitoring the running of local government. This happens because the various parties want to have the same information with information owned by the local government.

H_{1a}; Political competition influences the availability of IKD by local government

H_{1b}; Political competition influences the accessibility of IKD by local government

The size of the Government is about the amount of assets owned and handled by the Local Government. The greater the asset handled and owned, the greater the size of the government (Nainggolan & Purwanti, 2014). The bigger the size of the Government, the greater the benefits gained by local governments when they reveals it through internet media. The more local government resources, the more likely it is for regions to invest in infrastructure systems that will provide transparency Nosihana & Yaya (2016) and large resources can also be seen from total government assets. The agency theory suggests that the size of big government indicates that there is a large amount of wealth as well. The supervision from society on government activities will be even tighter as there are fears of misappropriation of funds by the government so that more asymmetries of financial information must be reported to the public to reduce information asymmetry. Wau (2015) as well as consequently, the benefits of internet disclosure on local government websites are likely to increase with government size.

H_{2a}; The size of Local Government influences the availability of IKD by Local Government

H_{2b}; The size of Local Government influences the accessibility of IKD by Local Government

The level of self-reliance shows the local capability from local revenue sources to finance regional operational expenditures in realizing regional development and service to the community (Wau, 2015). The amount of regional capability in self-financing activities in the regions shows the performance of good government. Good performance will show the quality of good management which tends to disclose more information and uses systems that can improve the quality of local government such as by providing information on the website. The agency theory explains that regional assets reflect how the performance of a Local Government, so that if a local Government has high wealth, it will try to show it to stakeholders as a signal of good public management. Small regional assets show poor government performance, while local governments with poor performances will avoid disclosure of financial statements and would prefer to limit access to information to the public.

The higher the ratio of locally generated revenue

indicates the higher level of government independence in managing local finance. According to Nainggolan & Purwanti (2014) high performance is a signal of good public management. Regional wealth can be expressed by the amount of Locally-Generated Revenue (PAD). Small regional assets show poor government performance, while Local Government with poor performance will avoid voluntary disclosure and would prefer to limit access to information to the public.

H_{3a}; Financial independence affects on the availability of IKD by the local government

H_{3b}; Financial independence affects on the accessibility of IKD by the local government

The results of government performance are also contained in the financial statements, at the end of the accounting period. The government is required to submit the financial statements to the independent auditor that is the Financial Audit Board (BPK). Local governments on the quality of their financial accountability is good or not. This is due to the government apparatus trying to cover the deviation that they do so that reducing the disclosure done. In accordance with the theory of legitimacy, Local governments which get the opinion of the WTP audit opinion will usually be more likely to publish its financial statements and can be accessed easily so that people know how the performance of the local government.

This audit opinion will be used as a performance measurement tool of a local government whether the quality of financial accountability is good or not. Research conducted by Wau (2015) which said the audit opinion owned by the local government influences the availability of IFR by local governments. Styles & Tennyson (2007) argued that local governments that are rewarded by external organizations for good financial reporting practices tend to provide their financial statements on the internet that can be seen from the opinions given by BPK. WTP opinion obtained by local governments is expected to encourage local governments to disclose their financial statements.

H_{4a}; Audit opinion affects on the availability of IKD by Local Government

H_{4b}; Audit opinion affects on the accessibility of IKD by Local Government

The problems faced by city governments tend to be more complex than in districts. It is due to the number of people who have a social and educational background. The more complex the problem in a region, the greater the responsibility of the local government to provide maximum services for its citizens. Local governments need to build an integrated system because local governments have a great responsibility. For that, transparency is needed in every action of local government, including in transparency of managing local finance (Medina, 2012). In accordance with the agency theory, city governments are more optimizing activities, especially in the disclosure of financial statements, and in-

creasing public awareness to have a clean, accountable, and transparent government in managing the finance. The urban type with a larger and more diverse citizens make the site of local government is more sophisticated and much information is revealed on its website.

Internet is one of the efficient media in providing services to residents in a region. Laswad (2005) stated that a city government with a larger and more diverse population, government sites are more sophisticated

and more information are revealed in the sites. Therefore, the pressure that the government gives to make the information available to the public.

- H_{1a}: The complexity of local government influences on the availability of IKD by local government**
- H_{1b}: The complexity of local government influences on the accessibility of IKD by local government**

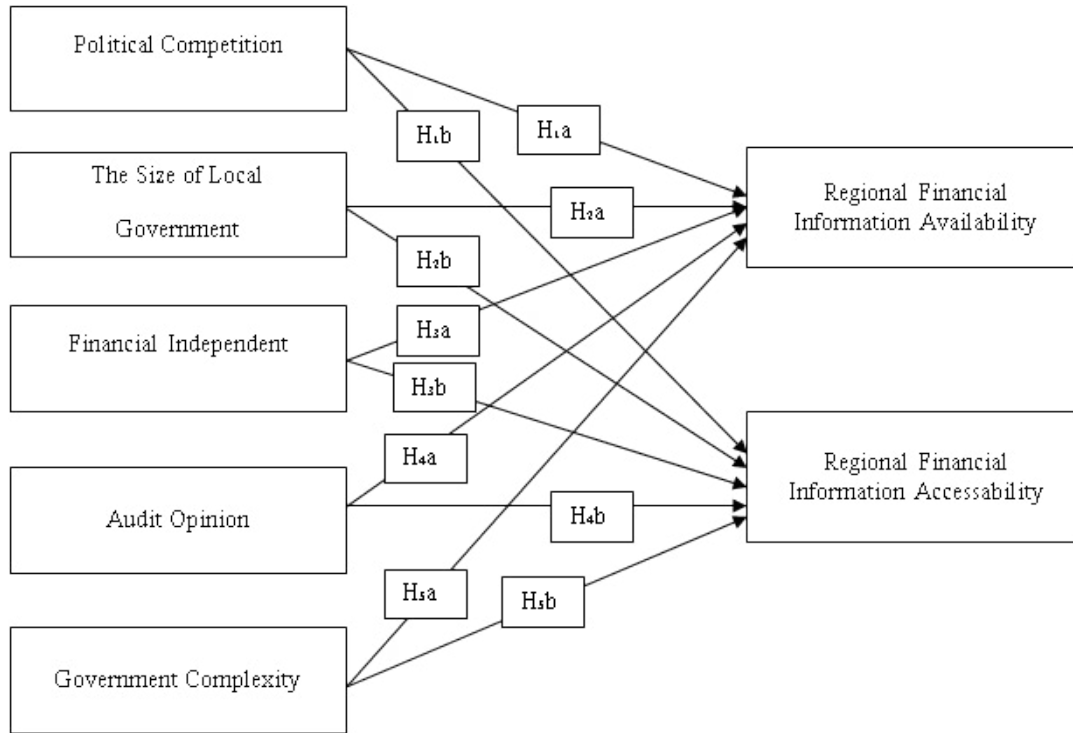


Fig. 1 Theoretical Framework Model

RESEARCH METHOD

The type of research was quantitative with secondary data. The population of this research was city and regency government in Java Island. Java Island is one of the islands in Indonesia with the largest population, the population in this study consisted of 119 local governments consisting of city / district government. Sampling technique used was purposive sampling technique na-

mely sample determination technique with consideration. The final sample was 91 local governments.

The level of IKD accessibility was measured by using an index developed by (Wau, 2015) with some modifications which was fit to the availability of data provided on the official website of local government in Indonesia namely regional financial information data (LKPD / APBD).

Table 1. Selection of Research Sample

	Beyond Criteria	Included Criteria
Local Government in Java Island		119
Local Government that has no official website	(6)	113
Local Government which official website is in repair from 16th April 2017 to 11th June 2017	(5)	108
Local Government that does not have a menu of transparency of local budget management on the official website of local government	(15)	93
Local government data in the form of the number of political parties members that support the regional head at the time of elections can be obtained at the General Election Commission (KPU)	(2)	91
Sample collected		91

Table 2. Operational of Research Variables

Variables	Descriptive	Indicators
Availability (IKD) 1	The level of documents availability of financial statements online at local government website (Wau, 2015)	The number of Local Government Financial Statements (LKPD) and Regional Revenue and Expenditure Budget (APBD) components in 2015 published on the official website of local government (Wau, 2015)
Accessibility (IKD) 2	The convenience level of users can find and view financial reports on local government websites (Wau, 2015)	index of access to local financial information (Wau, 2015)
POLCOMP	Political Competition	The number of parties members supporting regional heads who are serving divided by total members (Wau, 2015)
Size	The amount of assets owned and handled by the local government. (Nainggolan & Purwanti, 2014)	LnTotal asset (Nosihana & Yaya, 2016)
Independence	Local autonomy / revenue (Nosihana & Yaya, 2016)	Total PAD divided by total revenue (budget realization) (Wau, 2015)
Audit opinion	Audit Opinion of a report given by a registered auditor of BPK (Wau, 2015)	1 for Local Government that obtains a WTP audit opinion and 0 for Local Government that obtains an audit opinion other than WTP (Wau, 2015)
Complexity	Type of local government in Indonesia consists of the provincial and district governments (Laswad, 2005)	Number 1 for the City government and 0 for the District Government (Nosihana & Yaya, 2016)

Source: Primary data, processed 2017

Table 3. Index of Accessibility of Regional Financial Information

Score	Requirements
+1	If the Local Government Website can be found on the first page of google search by typing the name of local government
+1	If it takes only one click to see IKD on the local government website
+1	If there is a transparency link of local financial information data (LKPD/APBD)
+1	If local financial information data on the website can be downloaded
+8	If there is a LKPD component (Balance, LPE, LO, LRA, LPSE, LAK, CALK) and APBD
+1	If there is local financial information on the website of the previous year in the local government website

Source: Wau (2015), with modification

This study used LKPD data available in the official website of local government on the island of Java. Data on the composition of DPRD members based on political parties were obtained from the website of the Local Government and the website of the General Election Commission (KPU). The data of total government asset, total PAD and total opinions on budget realization derived from LKPD obtained from the website and related data of audit opinion on LKPD obtained from

BPK which was published through www.bpk.go.id from Summary of Examination of first semester in 2015. Data of dependent variable could be seen from each local government website. The official site address of the Regional Government could be obtained from www.depdagri.go.id. Further data was processed by normality test, classical assumption test, and multiple regression using SPSS application version 21 (Ghozali, 2013). Model I : Availability = 3.151+3.854X1+ 0.026X2+ 0.043X3- 0.973X4+ 0.075X5+e and Model II : Accessibility = 10.428+2.937X1- 0.056X2+ 0.147X3- 0.069X4+ 0.925X5+e

RESULTS AND DISCUSSIONS

The variable of local financial information availability is measured by the number of Local Government Financial Statements' (LKPD) components for the fiscal year 2015 and the Regional Budget (APBD) of the 2015 budget year provided on the official website of local government. The results of descriptive analysis and interval class division for the variable of local financial information availability are presented in Table 4.

This research uses three (3) classical assumption tests that is normality test, multicollinearity test, and heteroscedasticity test. It can be seen that the KolmogorovSmirnov value of research model I is 0.689 with a significance value of 0.729 and research model II is 1.010 with a significance value of 0.260 which means greater than 0.05. This means that data is normally

distributed, or the data otherwise meet the assumption of normality. The tolerance value of five independent variables of the research model I and the research model II indicate that no independent variable has a tolerance value greater than 0.10 in line with the VIF value for each independent variable which shows a value of not more than 10. Thus, it can be known that there is no multicollinearity problem among independent variables in this research model. The heteroscedasticity test shows a probability significance above the 5% confidence level and can be seen on the Sig which shows more than 0.05. So it can be concluded that the regression model does not contain heteroscedasticity.

Hypothesis testing is done by conducting an effect test directly (t test) to solve the relationship between the independent variables in this study. The result of t statis-

tical test is presented in table 5.

Table 4. Descriptive Statistics of the Research

	N	Mini mum	Maxi mum	Mean	Std. Deviation
IKD1	91	1	8	4.73	2.022
IKD2	91	5	13	10.18	1.877
POLCOMP	91	0.044	1.000	0.38760	0.194094
SIZE	91	25.693	33.879	28.80680	0.920364
INDEP	91	0.001	8.753	0.26852	0.922043
Audit Opinion	91	0	1	0.71	0.454
Complexity	91	0	1	0.24	0.431
Valid N (listwise)	91				

Source : Secondary data, processed 2017

Table 5. T Statistical Test

Variables	Model 1		Explanation	Model 2		Explanation
	Availability			Accessibility		
	B	Sig		B	Sig	
(Constant)	3.151	0.620		10.428	0.086	
POLCOMP	3.854	0.001	Accepted(H1a)	2.937	0.005	Accepted(H1b)
SIZE	0.026	0.907	Rejected(H2a)	0.056	0.792	Rejected(H2b)
Independence	0.043	0.845	Rejected(H3a)	0.147	0.483	Rejected(H3b)
Audit Opinion	-0.973	0.035	Accepted(H4a)	-0.069	0.873	Rejected(H4b)
Complexity	0.075	0.875	Rejected(H5a)	0.925	0.042	Accepted(H5b)

Source : Secondary data, processed 2017

The Effect of Political Competition on the availability of local financial information on the official website of local government

High political competition is influential in pushing local governments to be more transparent in providing their financial statements through their owned websites. Officials who are serving will try to show their best performance so they can get the attention from the community to be able to vote it back in the period that will come. The result of this study does not support the hypothesis, Wau (2015) who showed that political competition has no effect on the availability of Internet Financial Reporting (IFR) by local governments. The research is in line with Nosihana & Yaya (2016) showed that political competition influences on the financial statements through the internet.

The result of this study can be concluded that political competition affects on the availability of local financial information on the official website of local government. Based on the theory of legitimacy also states that entities that have a large political competition will get greater pressure in providing local financial information on the official website of the local governments so that the local governments will perform their duties accordingly.

The Effect of the size of Local Governments on the availability of local financial information on the official website of local government

The size of the regional government indicates that

there is a certain amount of wealth. The greater the assets of a region indicates the greater the size of the Local Government. Assets can represent how big the government is, the bigger the assets the more capital is invested (Nosihana & Yaya, 2016). The result shows that the size of the local government has no effect. The descriptive analysis also shows that the size of the local government is still low as evidenced by the mean value of the size of LGs belonging to the low category and asset data in the financial statements on the balance sheet shows the low level of assets in the local government. This result is not in accordance with the results of the studies conducted by Nosihana & Yaya(2016), Medina(2012) and Styles & Tennyson (2007) which said that the size of the large LG has more complex financial management, resulting in more asymmetry of financial information to be reported to the public to reduce information asymmetry.

In accordance with the research undertaken by Wau (2015) that the size of local government has no effect on the availability of IFR by local governments. Agency theory states that large regional government indicates that there is a large amount of wealth, public monitoring on government activities will be even tighter as there are concerns about misappropriation of funds.

The effect of financial independence on the availability of local financial information on the official website of local government

The result shows that independence has no effect on the availability of local financial information. The

result shows that financial independence has no effect on the availability of local financial information on the official website of the local government. This result is in accordance with the research undertaken by Wau (2015) showed that the independence ratios owned by local governments have no effect on the availability of IFR by local governments, and research conducted by Nosihana & Yaya(2016) the wealth of Local Government has no effect on the creation of internet financial reporting through e-government. Based on the agency theory explains that the regional wealth reflects how the performance of a local government, so that if a local government has a high wealth will try to show it to the stakeholders as a signal of good public management. However, the dependence of local government to the central government in meeting the regional financial needs is still high. Most of the local government funding sources come from transfers from the central government in the form of general allocation funds (DAU). Not infrequently, we meet areas that have locally generated revenue is much smaller than the total DAU received.

This study is not in line with the research conducted by Medina (2012) and Laswad (2005) stated that financial independence has a positive effect on voluntary disclosure of financial information on its official website. The theory of legitimacy shows what the organization should do in conducting activities with the regional wealth it has and to ensure that the activities and performance that is done is appropriate and acceptable by the community (Nosihana & Yaya, 2016).

The effect of audit opinion on the availability of local financial information on the official website of local government

Audit opinion is the result of an audit opinion issued by the Financial Audit Board from the financial statements submitted by all LGs to be one of the benchmarks of government performance. Assuming that if the local government obtains a WTP opinion, it will be higher the indication of disclosing financial information so it will show good performance. The result shows that audit opinion affects on the availability of local financial information. Based on the theory of legitimacy, local government which get the result of WTP audit opinion usually will more likely to publish its financial report so that society know how performance of the local government.

Local governments with high audit opinion levels are reluctant to publish local financial information because the community will perceive that local government performance is poor. The result of this study is in accordance with research conducted by Wau (2015) Styles & Tennyson (2007) which said that the audit opinion owned by the local government has an effect on the availability of IFR by the local government. The result of this study is different from the research undertaken by Nosihana & Yaya(2016) which obtained evidence of WTP audit opinion obtained by LGs do not encourage the publication of financial statements.

The effect of government complexity on the availability of local financial information on the official website of local government

Government complexity is defined as a condition in which there are various factors with different characteristics that affect government either directly or indirectly. If a government is getting more complex, it is required greater disclosure to help users of financial statements to understand the complexities of government activities. The result shows that the complexity of the government has no effect. The descriptive analysis also shows that the complexity of the government is still low as evidenced by the average mean value of government complexity belongs to the low category. In accordance with the result of the study conducted by Nosihana & Yaya (2016) that is the type of local government in publishing its financial information is not influenced by the type of LG. The advancement of technology and communications in Java has made it all over the region up to the countryside now can reach the internet as well as the people in the urban areas.

This research is not in line with the research conducted by Medina (2012) and (Laswad, 2005) that the complexity of government has a positive relationship to voluntary disclosure on the official website. A rural or urban area is characterized by high population density and extensive human features and diversity compared to the surrounding area. Proving that cities with high populations tend to have local governments which provide financial information. Based on the agency theory that city governments are more optimizing activities, especially in the disclosure of financial statements, and increasing public awareness to have a clean, accountable, and transparent government in managing the finance where the urban population type is larger and more diverse makes the site more sophisticated and more local government information revealed on its website.

The Effect of Political Competition on the accessibility of local financial information on the official website of local government

The result shows that political competition influences on the accessibility of local financial information. The coalition of political parties that carries the regional heads at the time of the election is still conducted by dominant political parties, but although only a few political parties are coalitioning with other political parties. Other political parties that have not yet become major political parties still show their energies to coalesce with other political parties. The result of this study is not in accordance with research conducted in Java by Wau (2015) which showed that political competition has no effect on the accessibility of Internet Financial Reporting on the local government website. Political competition can encourage local governments to pay more attention to the delivery of local financial information to the public and other parties.

The result of this study is in accordance with the study of Nosihana & Yaya (2016) which showed that the variable of political competition argues that political

competition affects on the publication of financial statements through the internet. In line with the agency theory which states that the government will increasingly improve the ease of the community in accessing local financial information if the level of political competition is also higher. The higher political competition in local government will encourage the local government to report its financial information on the internet. In addition to being cheap and easily accessible, internet reporting will also increase public trust on the credibility of the current regional government with expectations of being selected again in the upcoming elections (Nosihana & Yaya, 2016).

The effect of the size of Local Government on the accessibility of local financial information on the official website of local government.

The result show that the size of the local government does not affect on the accessibility of local financial information. This result is in accordance with the research undertaken by Wau (2015) which showed that the variable of local government size have no effect on the accessibility of IFR by local governments and research conducted by (Nainggolan & Purwanti, 2014). To reduce the complexity in fulfilling government transparency and accountability, the government should be able to maximize its website to improve public access to its financial information. The result is however not in accordance with the studies conducted by Nosihana & Yaya (2016) and Styles & Tennyson (2007) the size of the local government influences on the accessibility of local financial information on the internet. Based on the theory of agency, financial statement is one of the management information signal to the principal (Wau, 2015). Therefore, the better the performance of local government management should be the better the disclosure of its financial statements. The size of LGs is measured using the total assets of LGs.

Assets is one of the accounts of the financial statements that is Balance Sheet. Financial information reporting on the internet also considers the ability of both the city and district in accessing the internet. If the local government with large size without followed by the ability of the area in accessing the internet is good, then the size will not affect the financial reporting of local governments on the internet (Nainggolan & Purwanti, 2014).

The effect of financial independence on the accessibility of local financial information on the official website of local government

Financial independence indicates how the performance of a local government, so that if a local government has high wealth will try to show it to the stakeholders as a signal of good public management. Regional wealth can be expressed by the amount of Locally Generated Revenue (PAD). The result shows that financial independence has no effect. This is not in accordance with the result of the studies conducted by Wau (2015) and Laswad (2005) which stated that financial inde-

pendence affects on the accessibility of IFR local financial information by the government.

The agency theory explains that regional wealth reflects the performance of a local Government, so that if a local government has high wealth it will try to show it to stakeholders as a form of responsibility from good public management (Nosihana & Yaya, 2016). Small regional assets show poor government performance, while poor local governments will avoid financial statement disclose and would prefer to limit access to information to the public. This is in accordance with the researches undertaken by Medina (2012) and Nosihana & Yaya (2016) and Nainggolan & Purwanti (2014) that government independence has no effect on the accessibility to IFR by local governments. Well-performing local governments will not directly provide easy access to local financial information on the official website of local government and the amount of LG's wealth does not directly impact that the community also needs financial information published.

The effect of the audit opinion on the accessibility of local financial information on the official website of the local government

The result shows that the audit opinion does not affect on the accessibility of local financial information. The result of this study is not in line with the result of the study conducted by Wau (2015) which revealed that audit opinion has an effect on the accessibility of IFR by local government. In accordance with the theory of legitimacy, Local governments that get the results of WTP audit opinion will usually be more likely to provide financial statements so that people know how the performance of the local government. However, the result of this study proves that the audit opinion does not affect the accessibility of local financial information on the official government website. Research conducted by Nosihana & Yaya (2016) obtained evidence that WTP audit opinion obtained by the local government does not encourage the publication of financial statements. Furthermore, opinion other than WTP also does not always indicate that the performance and accountability of local government is bad because the performance of the government is not only measured from the financial reports that can be accessed only through the local government website.

The effect of government complexity on the accessibility of local financial information on the official website of local government

The complexity of government with positive results indicates that the complexity of government affects on the accessibility of local financial information on the official website of local government. The more complex the government, it needs greater disclosure to help readers of financial statements understand the complexities of government activities. In accordance with the agency theory that city governments are more optimizing activities, especially in the disclosure of financial statements, increasing public awareness to have a clean, accountab-

le, and transparent government in managing the finance where urban type which has larger and more diverse population makes the site more sophisticated and much information is revealed on its website.

This study is consistent with Medina (2012) and Laswad(2005) that the complexity of government has a positive relationship to voluntary disclosure on the official website. A rural or urban area is characterized by high population density and extensive human features and diversity compared to the surrounding area. It proves that cities with high population then regional governments tend to provide and give more easiness and convenience to access the local financial information on the official website of the local government. The result of this study is not supported Nosihana & Yaya(2016), namely the type of local government in publishing its financial information is not influenced by the type of regional government.

CONCLUSIONS AND SUGGESTIONS

The results of data analysis and discussion in the study explain that the research model I political competition and audit opinion affect on the availability of local financial information. The result of research model II is political competition and government complexity have an effect on the accessibility of local financial information.

Suggestions in this study for the local government is to provide regional financial information more complete and provide a variety of content that has been determined by the central government so as to facilitate the public in accessing the information. The central government is expected to maximize monitoring activities to the official website of local government. The next researcher is expected to increase the research period so that it can add the unit of analysis in order to compare the level of availability and accessibility of local financial information in the website inter-period.

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