

CHAPTER 2

THEORETICAL REVIEW

2.1. Accounting Information System

Romney and Steinbart (2015) describe accounting information system as a data identification, collection, storage process and information development, measurement and communication process. Accounting information system provide primary information system for an organization that provide information to users to perform and completing their job. Romney and Steinbart also explained that well designed accounting information system can enhance organization value by improving their quality and reducing costs; improving efficiency; sharing knowledge; improving efficiency and effectiveness of supply chain.

PP No. 71 Year 2010 explained that accounting standards for government, accounting is the process of identifying, recording, measuring, classifying, managing transactions and financial events, presenting the report, and interpreting the results. As cited in (Ismail et al., 2016), Regional financial accounting is the process of identifying, measuring, recording, and reporting economic (financial) transactions of a local government entity (county, city, or province) which is made information for economic decision-making by external parties requiring local government entities (Halim & Kusufi, 2012).

2.2. Technology Acceptance Theory

2.2.1. Theory of Reasoned Action (TRA)

TRA originally developed by Azjhen and Fishbein (1975), aim to examine the relationship between attitudes and behavior toward human action. This theory links belief, attitude, intention and behavior. Azjhen and Fishbein (1975) define that will is the best behavioral predictor, it means that to find out what will happen to someone and what will he do, the best way is to know what is the will of that person. However, someone also can make a decision on what they want to do based on other reason besides will. Furthermore, this theory stated that will is determined by individual attitude and subjective norm.

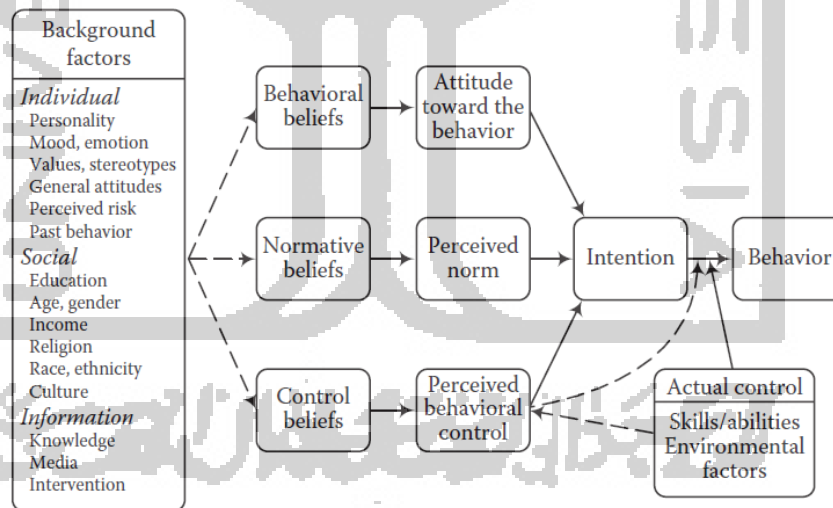


Figure 2.1. Theory of Reasoned Action Model

Source: Azjhen and Fishbein (1975)

With the development of TRA, behavior appeared not to be 100% voluntary and under control, this resulted in the addition of perceived behavioral control. With this addition the theory was called the theory of planned behavior (TPB). The theory of planned behavior is a theory which predicts deliberate behavior, because behavior can be deliberative and planned.

2.2.2. Theory of Planned Behavior (TPB)

Theory of Planned Behavior is the development from theory of reasoned action (Ajzen, 1985). TPB develop the variable that have not constructed in TRA. The additional variable construct in this theory is perceived of behavioral control. Based on this theory, perceived of behavioral control is affecting the motivation of people toward will. Furthermore, perceived of behavioral control also affect the human action directly and indirectly through behavioral intention.

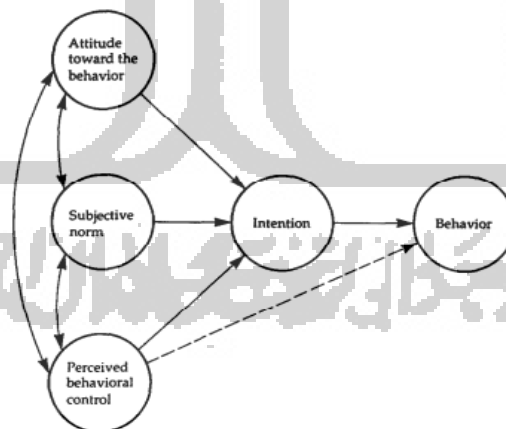


Figure 2.2. Tehory of Planned Behavior Model

Source: Ajzen, (1985)

Perceived of behavioral control become one of the key concept of theory of planned behavior theory. Perceived of behavioral control is the main difference concept that differ this theory from theory of reasoned action. Perceived of behavior control refers to people's perception on how difficult or how easy on performing certain tasks. Ajzen (1985) stated that perceived of behavioral control and behavioral intention can be used to predict behavioral achievement directly. However, theory of planned behavior can be unrealistic when the subject has relatively less information about the behavior, when the resources changed, or there is new and unfamiliar elements on the situations. Ajzen (1985) stated that, with those situations mentioned previously, perceived of behavioral control can help to slightly improve the accuracy of behavioral prediction. However, to the extent that perceived control is realistic, it can be used to predict the probability of a successful behavioral attempt.

2.2.3. Technology Acceptance Model (TAM)

Technology acceptance model that originally developed by (Davis, 1989) is one of the most popular theory in predicting use and acceptance of information system and technology by individual users. In technology acceptance model, there are two main factors in determining computers use behavior. Those factors consist of perceived of usefulness and perceived ease of use. Davis (1989) define perceived of usefulness as the user's subjective probability of using a specific application system that aim to enhance their job performance. While, perceived ease of use can be defined as a degree to user expects the target systems to be free of effort.

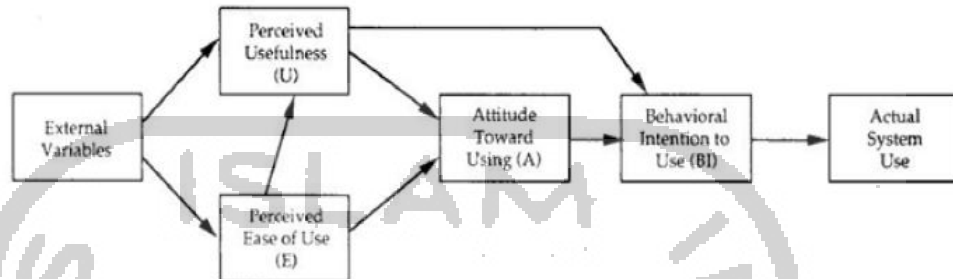


Figure 2.3. Technology Acceptance Model

Source: Davis (1989)

Davis (1989) stated that both factors perceived usefulness and perceived ease of use, influenced by external factors like social, political and cultural. Social factors consist of language, skills and facilitating conditions. Political factors is focused on the impact of using technology in politics and political crisis. Social factors include language, skills and facilitating conditions. Political factors are mainly the impact of using technology in politics and political crisis. The attitude to use is concerned with the user's evaluation of the desirability of employing a particular information system application. Behavioral intention is the measure of the likelihood of a person employing the application.

2.3. Village

According to Government Regulation Number 6 Year 2014 on Village, mentioned that what the village means is a unit of law community that has an area boundary authorized to manage and manage interest locals based on local origins and recognized customs respected in the System of Unitary State Government of the Republic of Indonesia. Village as a legal society means that social units have to be able to stand alone, i.e. having a unified solidarity, a unity of government and environmental unity based on joint rights for land and water for all its members. Village is a legal community unit that has limits the territory authorized to regulate and govern the affairs of the government, the interests of the local community based on community initiatives, human rights, and / or traditional rights that are recognized and respected in the royal system The village decentralization has given village government a power to determine on developing a village. Village have to accommodate cultural and historical values. Local government have to optimize their local potentials. Furthermore, all natural resources inside the village territory is a village government area in managing it.

Unitary State of the Republic of Indonesia. Village arrangement aims:

- Giving recognition and respect for existing villages with diversity before and after the establishment of the Republic of the Republic Indonesia.

- Provides clarity of status and legal certainty over villages in the system the constitution of the Republic of Indonesia to bring justice to all People of Indonesia.
- Maintain and advance customs, traditions and culture of rural communities.
- Encourage the initiative, movement and participation of the village community for development of village potential and assets for mutual welfare
- Creating a professional, efficient and effective village government, open, and responsible.
- Increase the public service for the villagers to use accelerate the realization of society's welfare.
- Improving the socio-cultural resilience of rural communities to be realized a community of people who can sustain social unity as part of National security.
- Advancing the economy of rural communities and overcoming the gaps National development.
- Strengthen rural communities as development subjects.

Decree number 6 year 2014 regulate the village management. Village management aims to make the village government become more effective; improve community welfare; increase public services quality; improve village government management; and improve village competitive advantage. Furthermore, decree number 72 year 2016 about village, village government is a government affair that consist of

village officials and Badan Permusyawaratan Desa (BPD) in organizing community interest based on local custom that respected and approved by central government.

2.4. The structure of village government

Based on law number 6 year 2014, the village government consist of head of village and village officials. Village officials has obligation to assist and help head of village in managing the village. The structure of village government explained in figure 4 below.

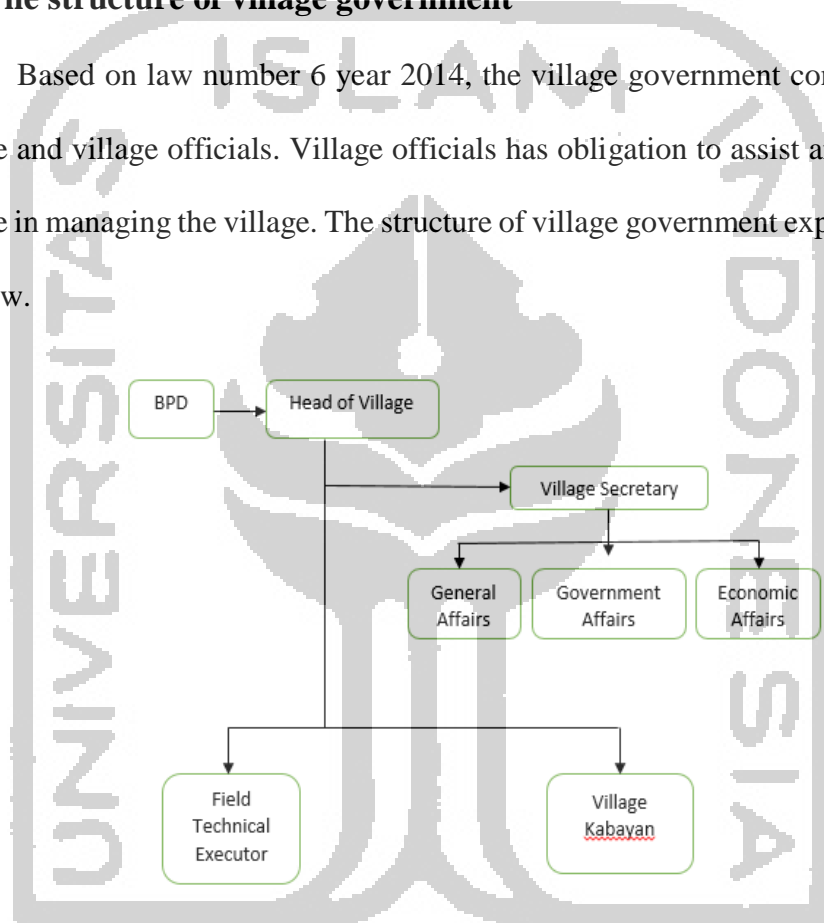


Figure 2.4. Village Government Structure

2.5. Village Funds

Under the Law Number 32 Year 2004 article 1 point 5, Regional Autonomy is the right, authority, and obligation of the autonomous region to regulate and manage the affairs of the government and the interests of the local community in accordance with the laws and regulations. In this case the government gives the rights, authorities

and obligations to each region to be able to manage what the region has to achieve the welfare of the community. The government then issued Government Regulation of the Republic of Indonesia Number 43 Year 2014 on the Implementation of Law No. 6 of 2014 on the village. Local governments have greater authority over their area management. One form of government concern for the development of rural areas is the government allocating Village Funds in the state budget and annual budget allocated to villages transferred through district and city budget revenues and expenditures for rural development, in the form of Village Fund Allocation.

2.6. SISKEUDES

Village Accounting System According to Permendagri No 113 Year 2014 Village Financial Management are activities that include planning, implementation, administration, reporting, and accountability of village finances. Permendagri No. 113 Year 2014 described the village finance is all right and the monetary obligation of the village and everything in the form of money and goods related to the implementation of village rights and obligations.

The development of SISKEUDES as village government accounting system have been developed to prepare the implementation of decree number 6 year 2014. The development of SISKEUDES has been successful because there was full attention from Commission XI DPR RI and KPK. SISKEUDES application officially launched in July 13, 2015. With the launch of SISKEUDES there was a success of BPKP and fulfill the

KPK requirement in making a system for a village government in financial area. Then, the SISKEUDS officially implemented on June 25, 2015 in Mamasa.

In SISKEUDES, with input according to the real transaction, the system will generate document as an output that consist of administration document and reports that suitable with the regulations. The output of SISKEUDES as follows:

- A. Administration documents
- B. Receipts of acceptance
- C. Letter of payment request
- D. Tax deposit letter
- E. Other documents
- F. Budget report
- G. Administration Report

2.6. Previous Researches

There are several previous research conducted in the scope of village funds program and SISKEUDES as the information system for the village government. Those previous research used as the basis of the researcher in constructing this current research entitled “SISKEUDES Implementation on Panggunharjo Village, Bantul”. Based on the previous research, the main factor that determine the success of the system is depend on the quality of human resource. Furthermore, the researcher will focus on the human resource factor effect on the implementation of SISKEUDES in Panggunharjo.

Table 2.1. Summary of Previous Researches

No.	Author	Research Title	Research Objective	Research Findings
1.	Ismail, M., Maret, U. S., Widagdo, A. K., Maret, U. S., Widodo, A., & Maret, U. S.	Sistem Akuntansi Pengelolaan Dana Desa	Identify problems of village in implementing village funds	Lack of human resources and there are no assistance from district level government that supposed to guide the village officials during the process.
2.	Nurillah, A.	Pengaruh Kompetensi Sumber Daya Manusia, Penerapan Sistem Akuntansi Keuangan Daerah (SAKD), Pemanfaatan Teknologi Informasi, dan Sistem Pengendalian Intern Terhadap Kualitas Laporan Keuangan Pemerintah Daerah (Studi Empiris Pada SKPD Kota Depok)	Determine factors that affecting local government reporting quality.	Human resources of competencies in the scope of local government, government accounting information system, and government internal control has positive significant effect on local government report quality
3.	Juwaini, I., Akram, & Husnan, L. H.	Optimalization of Village Financial System (SISKEUDES) for Village Financial Administration (Casestudy in Dompu Village Government, Indonesia)	This study aims to understand and analyzing the village financial administration process using the SISKEUDES application that causes report delays and Finding solutions to the constraints faced in the village finance administration activities using the SISKEUDES application	The level of human resources has a great impact on the performance of village officials in the administration activities, and in the administration process using SISKEUDES application there is fraud activity on the tax payment process so that it delays the delay in reporting the end-of-year accountability.

2.7. Research Framework

Researcher will use research model as a guidance in conducting this research that described in figure 5 below.

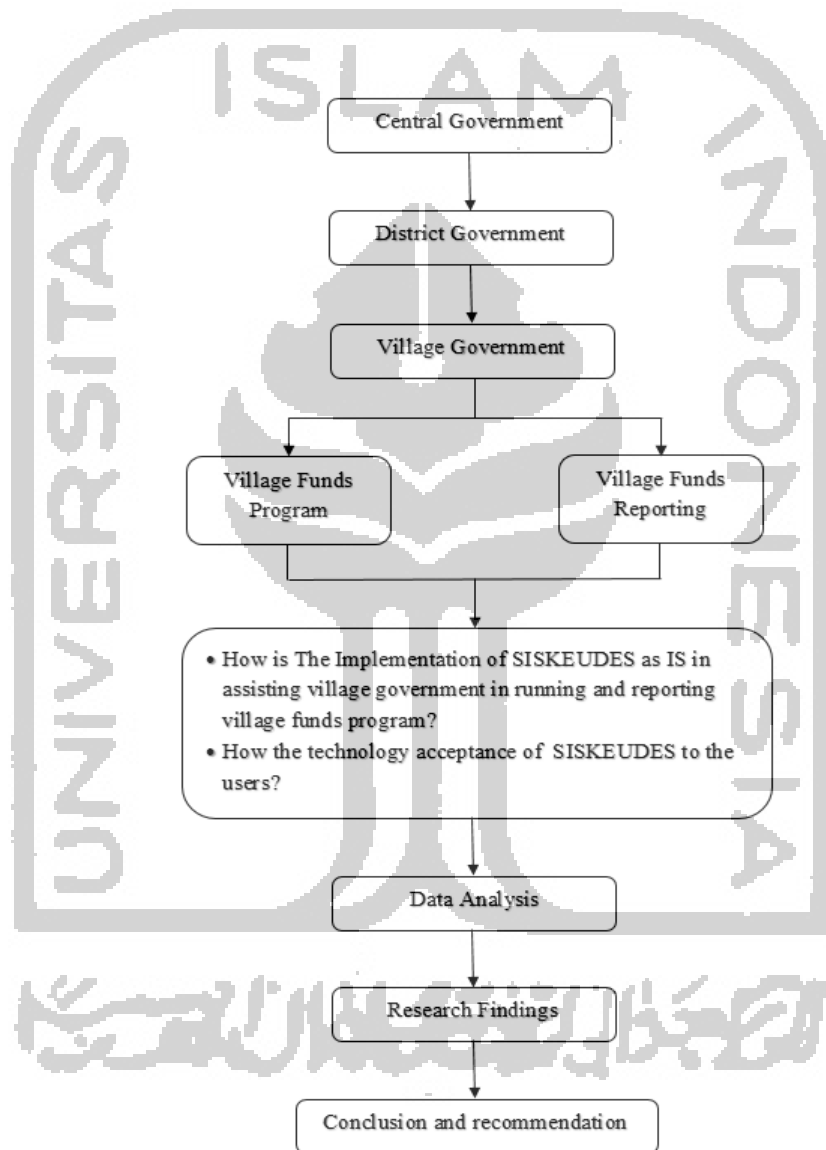


Figure 2.5. Research Model