The Effect of Budget Targets Clarity, Accounting Control, and Reporting System on Performance Accountability in the Transportation Service Of Central Java Province

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Abstract

This study aims to determine the effect of clarity of budget targets, accounting control, and reporting systems on performance accountability at the Central Java Provincial Transportation Agency. The population in this study were all employees of the Central Java Provincial Transportation Agency, conducted by sampling, with a census sample (Finance Division), a sample of 30 respondents was obtained. The analysis technique used was multiple linear regression by distributing questionnaires (google form) to respondents. Scoring of respondents' answers to questions used a Likert scale. The results of the study can be concluded that: 1.) Clarity of budget targets does not affect performance accountability. 2.) Accounting control does not affect performance accountability. 3.) The reporting system has a positive and significant effect on performance accountability.

Keywords: Accounting Control, Budget Targets, Clarity, Performance Accountability, Reporting Systems.

1. INTRODUCTION

Accountability in government is very important in the implementation of public services. The phenomenon that occurs in the development of the public sector in Indonesia today is the strengthening of demands for accountability for public institutions, both at the central and regional levels. In the concept of good governance, accountability is one of the basic principles that must be carried out so that the implementation of government can run well and correctly. Therefore, the value of accountability is very important to adopt in managing government.In Indonesia, the practice of measuring the performance of government agencies has been carried out after the issuance of Presidential Instruction No. 7 of 1999 concerning the accountability of government agency performance. This instruction assigns the leaders of government agencies to formulate a Government Agency Performance Accountability System (SAKIP) in each agency to improve the performance of government agencies.

There are at least 3 things that need to be done in realizing performance accountability, namely clarity of budget targets, accounting control systems that are carried out and accountability reporting systems to the public. Kenis (1979) there are several characteristics of the budget system. One of the characteristics of the budget is budget clarity. Goal Setting Theory explains that setting clear goals and measurable results will be able to improve work performance, the clearer the budget targets, the better the performance accountability will be.

Accounting control is part of a well-organized plan to control and assess every activity and responsibility carried out by the agency. The existence of this accounting control can be

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an indicator of the success of effective and efficient public service for government performance. A good accounting system can produce information that can be used to improve the performance of government agencies.

The reporting system is a report that describes the accountability system from subordinates (head of budget units) to superiors (head of budget division). According to Indra Bastian (2013), performance reporting is a reflection of the obligation to present and report the performance of all activities and resources that must be accounted for. This reporting is a manifestation of the performance accountability process. Every government agency is obliged to prepare, compile, and report financial reports in writing, periodically, and institutionally. The financial report of a government agency is a representation of the financial position of transactions carried out by the government agency. Performance reporting is intended to communicate the performance achievements of government agencies in a budget year that are linked to the process of achieving the goals and objectives of the government agency. Performance reporting by this government agency is stated in the Government Agency Performance Accountability Report (LAKIP) document. The government is obliged to provide financial information and other information that will be used for economic, social, and political decision making by interested parties. Accounting and financial reporting are understood as a process of collecting, managing and communicating information that is useful for decision making and for assessing organizational performance.

The current phenomenon in order to maximize policies, professional development and management of State Civil Apparatus (ASN), the Finance Bureau of the Central Java Provincial Transportation Service starting in the 2015 budget year has implemented the Budget Verification Application System (SIAVA) at the Regional BPSPP units and Regional Offices. SIAVA is an application to assist in managing billing documents and as a requirement for billing documents or standardization of completeness and support optimal budget absorption programs.The implementation of SIAVA aims to realize accountable and transparent financial accountability documents based on information technology. Before the implementation of SIAVA, budget absorption in government agencies was generally still low as stated by Mrs. Imas Sukmariah as the Head of the BPSPP Finance Bureau, the target of achieving an Unqualified Opinion (WTP) from the Financial Supervisory Agency (BPK) is one of the bureaucratic reform agendas in the central and regional agencies, the absence of financial document standards between the Central BPSPP and the Regional Office of the Transportation Agency, the competence of financial management HR regarding regulations in the financial sector and technical financial management in work units is still limited, the verification process

is still manual, carried out after the SPP is issued by the PPK and does not comply with the Head's regulations on Work Procedure Organization, the issuance of the Payment Request Letter (SPM) is late/not in accordance with the Review of the Work Period (PMK) Number 190 of 2012, and there are findings from internal (inspectorate) and external auditors in the accountability of state finances, the late submission of financial reports from several work units to improve excellent service in the financial sector. With the implementation of the SIAVA application, it is expected to be a solution to overcome a number of problems to improve performance and maintain the Unqualified Opinion (WTP) from the Audit Board of Indonesia (BPK) and the best financial management award from the Government of the Republic of Indonesia through the Ministry of Finance as well as the transfer of knowledge in financial management to other agencies and fostering the trust of the Indonesian people.

The granting of an Unqualified Opinion (WTP) to the Central Java Provincial Transportation Agency by the BPK with the implementationThis SIAVA application is what makes us interested in whether the clarity of budget targets, accounting control and reporting systems play an important role and influence performance accountability at the Central Java Provincial Transportation Agency. If it has a positive influence on accountability, it will certainly be used as an example for other agencies so that the performance accountability of government agencies becomes better.

Several previous studies conducted by Amiruddin Gani (2020) showed that clarity of budget targets and accounting control have an effect on the accountability of government agency performance. Meanwhile, research conducted by Karismawati Agustin (2018) showed that clarity of budget targets and accounting control have a positive and significant effect on the accountability of government agency performance, while the reporting system and compliance with laws and regulations have a positive but insignificant effect. Based on the background above, the researcher is interested in conducting research with the title ""The influence of clarity of budget targets, accounting control, and reporting systems on performance accountability at the Central Java Provincial Transportation Agency".

The aim of this research is to determine the clarity of budget targets,accounting control, and reporting systems have an impact on the Performance Accountability of Government Agencies at the Central Java Provincial Transportation Service.

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2. LITERATURE REVIEW

Accountability of Government Agency Performance

Accountability of government agency performance is the manifestation of a government agency to be responsible for the success and failure of the implementation of the organization's mission in achieving the targets and objectives that have been set through a periodic accountability system (Presidential Instruction No. 7/1999). In the context of public sector organizations, public accountability is the provision of information on government activities and performance to interested parties. The main emphasis of public accountability is the provision of information to the public who are stakeholders. Public accountability is also related to the obligation to explain and answer questions about what has been, is being, and is planned to be done by the public sector organization (Mardiasmo, 2009). Measurement of government agency performance accountability can be measured using 4 dimensions, namely legal, policy, process and program accountability. The preparation of the implementation report of Government Agency Performance Accountability (AKIP) follows the general reporting principles, namely the report must be prepared honestly, objectively, accurately and transparently.

Clarity of Budget Targets

Clarity of budget targets is the extent to which the budget objectives can be understood by the person responsible for achieving the budget targets (Suhartono and Solihin, 2011). An ineffective and non-performance-oriented budget will be able to thwart the planning that has been prepared (Bastian, 2001), therefore clarity of budget targets becomes something that is very relevant and important in the scope of government because of its impact on government accountability, in relation to the function of government in providing services to the community.

Accounting Control

Accounting control assumes that an action plan or standard has been established to measure the performance of the implementation of activities. Accounting control is all formal procedures and systems that use information to maintain or change the pattern of organizational activities. In this case, accounting control includes planning systems, reporting systems and monitoring procedures that are based on information. Accounting control systems are all formal procedures and systems that use information to maintain or change the pattern of organizational activities, where control is a process that is carried out economically, efficiently and effectively. Accounting control is measured using 6 indicators adopted from Anthony (2000), namely: separation of functions, authorization procedures, documentation procedures,

accounting procedures and records, physical supervision, independent internal audits. The existence of accounting control can predict the future or possibilities that occur from organizational activities. A good accounting system can produce information that can be used to improve the performance of government agencies.

Reporting System

Financial reports are structured reports on the financial position and transactions carried out by a reporting entity. The general purpose of financial reports is to present information on the financial position, budget realization, cash flow and financial performance of a reporting entity that is useful for users in making and evaluating decisions on resource allocation. Specifically, the purpose of government financial reports is to present information that is useful for decision making and to demonstrate the accountability of the reporting entity for the resources entrusted to it (Indra Bastian: 2013)

Research Hypothesis

Clarity of Budget Targets for Performance Accountability

In Amalia Ramadhani Ashari's research (2020), it was shown that budget participation partially has a positive and significant effect on the accountability of government agency performance, as well as the clarity of budget targets partially has a positive and significant effect on the accountability of government agency performance.

Thus, hypothesis one can be formulated as follows:

H1: Clarity of Budget Targets has an impact on performance accountability.

Accounting Control Over Performance Accountability

In a study conducted by Karismawati Agustin (2018), the results of the study showed that clarity of budget targets and accounting control had a positive and significant effect on the accountability of government agency performance, while the reporting system and compliance with laws and regulations had a positive but insignificant effect.

Thus, hypothesis one can be formulated as follows:

H2: Accounting Control Affects Performance Accountability

Reporting System for Performance Accountability

In the researchReyhan Hady Fauzan (2017) Research results show that clarity of budget targets, accounting control, reporting systems and implementation of financial accountability have a significant influence on the performance accountability of government agencies.

Thus, hypothesis one can be formulated as follows:

H3: Reporting System Affects Performance Accountability

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3. METHODS

This study uses a quantitative method that usually emphasizes the collection and analysis of numerical data for hypotheses or explaining phenomena using statistical techniques to draw conclusions about the relationship between variables. The objects in this study are respondents / employees of the Finance Division of the Central Java Provincial Transportation Agency. The population used in this study were 49 respondents of the finance sub-division employees. The sampling technique used in this study is the saturated or census sampling technique, which is a sampling technique when all members of the population are used as samples (Sugiono, 2014). So the sample used is 49. However, from the total sample given the questionnaire only 30 respondents returned. The data collection technique used is the questionnaire technique distributed to respondents. The questionnaire refers to independent variables (budget target clarity, accounting control and reporting system) and dependent variables (performance accountability) which are measured using the Likert Scale model, namely measuring the attitudes and opinions of an individual or group to indicate their level of agreement with questions using a scale, namely 1 = Strongly Disagree (STS), 2 = Disagree (TS), 3 = Neutral (N), 4 = Agree (S), 5 = Strongly Agree (SS).

4. RESULTS

Data Quality Test Results

Test the validity of the questionnaire using Pearson's Product Moment correlation technique, which is to correlate item scores with total scores. Data is declared valid if the calculated r value which is the value of the Corrected Item-Total Correlation> from the r table (n-2) at a significance of 0.05 (5%). In this study, the size of the r table (n-2) for a significance of 5% is 0.374. In each variable there are five question items. The validity test of this study shows that all question items in the Performance Accountability Validity Test, Clarity of Budget Targets, Accounting Control and Reporting Systems are valid because each question has a calculated r value> r table (n-2) namely the correlation value above 0.374.

Table 1: Results of Variable Validity Test

	Variables	Corrected Item-Total Correlation	Validity
X1	Clarity of budget targets	>0.374	Valid
X2	Accounting Control	>0.374	Valid
X3	Reporting System	>0.374	Valid
Y	Accountability of Regional Government Agency Performance	>0.374	Valid

Source: Processed Primary Data (2024)

The reliability of a variable formed from a list of questions is said to be good if it has a Cronbach's Alpha value > 0.70. Based on the results of the reliability test of the research instrument, in this study the results of the Cronbach's Alpha coefficient value were obtained > 0.70.

Table 2: Results of Variable Validity Test

	Variables	Cronbach's Alpha	Reliability
X1	Clarity of budget targets	0.827	Reliable
X2	Accounting Control	0.791	Reliable
X3	Reporting System	0.719	Reliable
Y	Accountability of Regional Government Agency Performance	0.891	Reliable

Source: Processed Primary Data (2024)

Classical Assumption Test Results

The Normality Test aims to test whether in the regression model, the confounding variables or residuals have a normal distribution. The method used is the Kolmogorov-Smirnov (KS) Statistical Test of the Unstandardized Residual value where if the KS value for the Unstandardized Residual>0.05 means that the residual value is normally distributed. The results of the normality test in this study indicate that the KS value for the Unstandardized Residual is 0.863; with a significant probability of 0.446 which means>0.05. This means that the residual value is normally distributed as shown in table 3 below:

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Table 3: Data Normality Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		30
Normal Parameters a,b	Mean	,0000000
	Std. Deviation	,31141009
Most Extreme Differences	Absolute	,158
	Positive	,158
	Negative	-,120
Kolmogorov-Smirnov Z		,863
Asymp. Sig. (2-tailed)		,446

a. Test distribution is Normal.
b. Calculated from data

Source: Processed Primary Data (2024)

Multiple linear regression is used to predict the effect of more than one independent variable on a quantitative scale on a dependent variable. The results of the regression test table 4, the multiple linear regression equation that is read is the value in column B, the first row shows the constant (a) and the next row shows the coefficient of the independent variable.

Table 4: Multiple Linear Regression Results
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,453	,895		,506	,617
	KSA	-,002	,178	-,001	-,012	,991
	PA	-,007	,171	-,005	-,039	,969
	SP	,940	,151	,821	6,234	,000

a. Dependent Variable: AK

Source: Processed Primary Data (2024)

The regression model used is as follows:

$$AK = 0.453 - 0.002KSA - 0.007PA + 0.940SP + e$$

The results of the t-statistic test of the variable clarity of budget targets on performance accountability show that partially the calculated t value is -0.012 with a significance of 0.991 while the t-table value is 1.6991. This means that the point is in the H0 area accepted. Thus, the clarity of budget targets does not have a partial effect on the performance accountability of local government agencies, because the significance value is greater than 0.05 and the calculated t value is less than the t-table value.

The results of the statistical test t of accounting control on local government performance accountability show that partially the calculated t value is -0.039 with a significance of 0.969 while the t table value is 1.6991. This means that the point is in the H0 area accepted. Thus, accounting control does not have a partial effect on the performance accountability of local government agencies, because the significance value is greater than 0.05 and the calculated t value is less than the t table value.

The results of the t-statistic test of the reporting system on the accountability of the performance of local government agencies show that partially the calculated t value is 6.234 with a significance of 0.000 while the t-table value is 1.6991. This means that the point is in the area where H0 is rejected and Ha is accepted. Thus, the reporting system has a partial effect on the quality of financial reports, because the significance value is smaller than 0.05 and the calculated t value is greater than the t-table value. The direction of the positive sign indicates that the better the competence of human resources, the better the quality of financial reports.

Table 5: Results of Determination Coefficient Test
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,818a	,669	,631	,32889

a. Predictors: (Constant), SP, PA, KSA

b. Dependent Variable: AK

Source: Processed Primary Data (2024)

The results of the determination coefficient test can be seen from the Adjusted R square of 0.631 which shows that 63.1% of AK is influenced by KSA, PA, SP, the remaining 36.9% of the quality of financial reports is influenced by other variables that have not been studied in this study.

5. DISCUSSION

The first hypothesis tests the effect of budget target clarity on performance accountability. The test results of the equation above indicate that the variable of budget target clarity does not affect performance accountability. Which means the first hypothesis is rejected. This shows that the majority of respondents are employees of the finance department of the Central Java provincial transportation office, are hesitant about the targets to be achieved, and even disagree that teamwork is needed to achieve targets in the agency, especially regarding budget use. These findings are not in accordance with the goal setting theory put forward by Locke & Latham (1991) which explains the relationship between set goals and work

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performance. Targets can be viewed as goals or levels of performance that employees want to achieve. If employees are committed to achieving their goals, this will affect their actions and the consequences of their performance. However, in this study, this is not the case, not all employees who have high commitment succeed in achieving their goals, so that performance accountability cannot be predicted by the clarity of budget targets alone.

The second hypothesis tests the effect of accounting control on performance accountability. The test results of the equation above indicate that the accounting control variable does not affect performance accountability. This indicates that the second hypothesis is rejected. This study is not in line with research (Zakiyudin, 2015) which states that accounting control has a significant effect on the performance accountability of government agencies. The better the accounting control procedure will not necessarily increase the performance accountability of government agencies. If a government agency has a reliable accounting system, it is expected that with healthy practices, the accounting information produced can help improve the performance of the agency concerned. However, it is different from the findings in the study on the finance department of the Central Java provincial transportation office, where accounting control does not determine performance accountability. This can be caused by the questionnaire not being on target, which should be filled in by the supervision and evaluation section of the agency.

The third hypothesis tests the effect of the reporting system on performance accountability. The test results of the equation above indicate that the reporting system variable has a significant effect on performance accountability. This study is in line with the research of Yulianti et al. (2014) which states that the reporting system has a positive and significant effect on the performance accountability of government agencies. With a good reporting system, financial management will be created that is more transparent and accountable.

6. CONCLUSION

This study examines the effect of budget target clarity, accounting control and reporting system on performance accountability at the Central Java Provincial Transportation Agency. The analysis in this study uses multiple regression analysis with the Statistical Package for Social Science (SPSS) Ver.19 program. Based on the results of the analysis and discussion that have been presented previously, it can be concluded that Budget Target Clarity does not affect performance accountability, Accounting Control does not affect performance accountability, and the Reporting System has a positive and significant effect on performance accountability.

Further researchers are expected to be able to increase the number of research samples, not only in the transportation agency office, but in all SKPDs in Central Java Province.

7. LIMITATION

The limitations of this study include the Limited Geographical Scope, meaning that this study was only conducted on employees of the financial division sub-section of the Central Java Provincial Transportation Service, then the data collected was limited to the period of 2023 with the number of samples taken only some employees totaling 30 people from the total number of employees in the financial division of the Central Java Provincial Transportation Service in 2023 totaling 49 people.

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