



## **ANALYSIS OF THE INFLUENCE OF ACCOUNTABILITY AND TRANSPARENCY OF REGIONAL FINANCIAL MANAGEMENT ON REGIONAL GOVERNMENT PERFORMANCE IN GOWA DISTRICT**

**Mulyati Firman<sup>1</sup>, Sumardi<sup>2</sup>, Nirwana<sup>3</sup>**

<sup>1)</sup> Master of Regional Finance, Faculty of Economics and Business, Hasanuddin University

<sup>2)</sup> Department of Management, Faculty of Economics and Business, Hasanuddin University

<sup>3)</sup> Accounting Department, Faculty of Economics and Business, Hasanuddin University

### **Abstract:-**

This study aims to examine and analyze the effect of accountability and transparency of regional financial management on the performance of local governments in Gowa district. In this study, the method used by researchers is quantitative descriptive method. The sample in this research is SKPD within the local government of Gowa Regency with the head of the respondent, the secretary, the head of the field, the head of the section and the staff of each SKPD who are involved in the regional financial management process. The type of data used in this study is primary data. Collecting data in research is field research (field research) and library research (library research). The variables in this study are Accountability of Regional Financial Management (X1), Transparency of Regional Financial Management (X2), Performance of Local Government Agencies (Y). The testing tool used is the SPSS program. And will be tested with multiple regression analysis techniques and interaction regression or known as Moderated Regression Analysis (MRA).

**KEYWORDS:** Accountability of Regional Financial Management, Transparency of Regional Financial Management, Performance of Local Government Agencies

### **Introduction:-**

As an organization that manages public funds, public sector organizations must be able to provide public accountability through their financial reports. The complete presentation of information in financial reports will create transparency and in turn will create accountability. The better the presentation of local government financial reports will have implications for increasing the realization of regional financial management accountability (Nordian, 2010).

Accountability related to financial statements does not only include the presentation of financial statements. In this case, the report contains information that is relevant and meets the needs of the user, but also reports that are directly available and accessible to those who use the information (Steccolini, 2002 in Aliyah and Nahar, 2012). Apart from presenting financial statements, effective accountability also depends on the ease with which a person can obtain the relevant information in the financial statements. Where the community as the party that gives the mandate to the government has the right to obtain financial information as a form of accountability.

Accessibility of financial reports is an easy way for someone to obtain information about financial reports. Effective accountability depends on public access to financial reports that can be read and understood (Mulyana, 2006). The public as the party that gives trust to the government to manage public finances has the right to obtain government financial information to evaluate the government (Mardiasmo, 2002).

This is regulated in Government Regulation no. 71/2010 concerning government financial reporting should provide useful information for users in assessing accountability and making decisions on economic, social, and

political decisions by: (a) providing information on the sources, allocation and use of financial resources; (b) provide information regarding the adequacy of current period revenues to cover all expenses; (c) provide information about the amount of economic resources used in the reporting entity's activities and results that have been achieved; (d) provides information about how the reporting entity finances all of its activities and meets its cash needs; (e) provide information about the financial position and condition of the reporting entity in relation to sources of revenue, both short and long term, including those from tax collections and loans; (f) provides information about changes in the reporting entity's financial position, whether increased or decreased, as a result of activities performed during the reporting period.

However, in reality, the Supreme Audit Agency (BPK) still finds many problems in the management of government finances when conducting audits or audits of Regional Government Financial Reports (LKPD) which indicate weak accountability for regional financial management. In 2012, the Gowa Regency LKPD received an Unqualified Opinion (WDP). This is because the data provided by the Regional Work Unit (SKPD) to the Gowa Regency Government does not match the conditions in the field. This fact shows the poor transparency and accountability of regional finances, which increases the chance of leakage and hinders the performance of local governments in providing services and welfare to the community. The inability of financial reports to carry out accountability is not only due to annual reports that do not contain all the relevant information required by users, but also because these reports cannot be readily available and accessible to potential users. As a consequence, the incomplete and inaccessible presentation of financial statements can reduce the quality of regional financial accountability.

Research related to the presentation and accessibility of regional financial reports has been carried out in previous studies. Wahida's research (2015) proves that the presentation of financial reports and the accessibility of regional financial reports partially and simultaneously has a positive and significant effect on the accountability of regional financial management in North Konawe Regency. In addition, previous research has been conducted by Christy Natalia Lewier (2015). This is because there are similarities in the problems experienced by the North Konawe Regency Government with the Klaten Regency Regional Government, namely the presentation of financial reports is still experiencing obstacles as evidenced by the Unqualified Opinion (WDP) from the BPK, and financial reports have not been widely published through mass media such as the internet, so that people find it difficult to access or obtain information on their financial statements.

Meanwhile, according to research conducted by Ratih Muji Astuti (2013), it is concluded that transparency and accountability have no effect on local government performance. Meanwhile, the internal inspection function affects the performance of local governments. Similar research was conducted by Sande (2013) where the results of this study prove that the presentation of financial statements and accessibility of financial reports has a significant positive effect on the accountability of regional financial management of the West Sumatra Provincial Government.

Another study was conducted by Aliyah and Nahar (2012) with the title the effect of the presentation of regional financial reports and the accessibility of regional financial reports on the transparency and accountability of regional financial management in Jepara Regency. This study proves that the presentation of regional financial reports and the accessibility of regional financial reports separately and collectively have a positive and significant effect on the transparency and accountability of regional financial management in Jepara Regency.

This raises the motivation to re-test the research conducted by Wahida (2015), because in this study the results of hypothesis testing show that the presentation of regional financial reports and the accessibility of financial reports individually or collectively or simultaneously have a positive and significant effect on financial management accountability. area. In addition, because there are similarities in the problems experienced by the local government of North Konawe Regency with the regional government of Gowa Regency, namely the presentation of financial reports is still experiencing obstacles as evidenced by the Unqualified Opinion (WDP) from the BPK, and financial reports have not been widely published through the mass media. such as the internet, making it difficult for people to access information on their financial statements.

References used as references in research come from several journals and previous research. Among them are research conducted by Wahida (2015) in the North Konawe area and journals written by Christy Natalia Lewier (2015) in Klaten Regency. The difference between this study and previous studies lies in the location of the study, the independent variable and the dependent variable. The location of this research was conducted in a different location, namely Gowa Regency. The independent variable consists of the accountability of regional financial management and the transparency of regional financial management. While the dependent variable is the performance of local government agencies. In research conducted by Wahida (2015) in North Konawe and Christy Natalia Lewier (2015) in Klaten Regency, the independent variables consist of the presentation of regional

financial reports and the accessibility of regional financial reports, while the dependent variable is accountability of regional financial management.

The reason for choosing Gowa Regency was the WDP opinion on the LKPD of Gowa Regency in 2012. At the time the initial data collection was still using data from 2012, at that time the status of Gowa Regency was still WDP, then continued data collection was carried out where there had been a change in status from WDP opinion to WTP ( Fair without exception) for 7 consecutive times, starting from 2013 to 2019. In addition, research on the analysis of the effect of accountability and transparency of regional financial management on local government performance has never been carried out in Gowa Regency.

## **Literature Review:- Accountability**

In the world of bureaucracy, the accountability of a government agency is a manifestation of the obligation of a government agency to be accountable for the success or failure of implementing the mission of the agency concerned. The principle of accountability stipulates that every activity and the final result of state administration activities must be accountable to the people as the highest holder of sovereignty in a country. There are several definitions of accountability including:

According to Mardiasmo (2012), public accountability is the obligation of the trustee to provide accountability, present, report, and disclose all activities and activities that are their responsibility to the principal who has the right and authority to accept this responsibility.

According to the Guidelines for Strengthening the Safeguards for the Regional Development Program of Bappenas & Ministry of Home Affairs (2002), public accountability is a principle that ensures that every activity of government administration can be openly accountable by actors to parties affected by the implementation of policies.

According to Mahmudi (2016), public accountability is the obligation of the trustee (agent) to provide accountability, present, report, and disclose all activities and activities that are their responsibility to the principal who has the right and authority to hold this accountable. From the above understanding, it can be concluded that public accountability is an accountability to the community or the institutions concerned in carrying out their activities or responsibilities.

In the realm of public finance, Law no. 17 of 2003 demands transparency and accountability in public finances. Financial reports are indeed one of the results of transparency and accountability of public finances, and this means that financial reports that are prepared must meet the requirements of accountability and transparency. Financial reports that are presented by the government must contain information that is relevant, honest and open to the public. This is because public sector organizations are organizations that use public funds that must be given accountability through financial reports as a form of accountability. Local governments must be able to prepare financial reports in accordance with accounting standards and meet the qualitative characteristics of financial reports.

## **Transparency**

Transparency is built on the free flow of information. All government processes, institutions and information need to be accessible to interested parties and the information available must be sufficient to be understood and monitored.

Transparency means providing open and honest information to the public based on the consideration that the public has the right to know openly and thoroughly the government's responsibility in managing the resources entrusted to it and its compliance with laws and regulations. Transparency means that procedures or procedures, government administration and other matters relating to the process of public services must be informed openly so that they are easily known and understood by the public, whether requested or not.

Transparency according to Marisi Purba (2012) is the openness of information both in making decisions and disclosing information that is material and relevant to the company. In addition, according to Mahmudi (2011) transparency is the openness of the organization in providing information related to public resource management activities to parties who are stakeholders. Transparency is the principle that guarantees everyone's access or freedom to obtain information about government administration, namely information about policies, the process of making and implementing them, and the results achieved (Guidelines for Strengthening Regional Development

Program Safeguards, National Development Planning Agency & Ministry of Home Affairs, 2002).

According to Andrianto (2007), transparency is openness that is sincere, comprehensive, and provides a place for active participation from all levels of society in the process of managing public resources. According to Hafiz (2000), transparency is openness and honesty to society based on the consideration that the community has the right to know openly and thoroughly the accountability of the government in the resources entrusted to it and its obedience to laws and regulations. Meanwhile, according to Mardiasmo (2002), transparency is the openness of the government in making regional financial policies so that they can be known and monitored by the DPRD and the public.

From the above definition, it can be concluded that transparency is the openness of the government to the public to access information based on the consideration that the public has the right to know openly and thoroughly about the government's responsibility.

### **Agency Performance**

Institutional or organizational performance is an indicator of the level of achievement that can be achieved and reflects the success of an organization, as well as the results achieved from the behavior of organizational members. Performance can also be said to be a result (output) of a particular process carried out by all organizational components on certain sources used (input). Furthermore, performance is also the result of a series of process activities carried out to achieve certain organizational goals. For an organization, performance is the result of collaborative activities among members or organizational components in order to achieve organizational goals. Supriyanto (2015) states that company performance is not sufficient to measure only based on accounting profit, because accounting profit has no real meaning if it is not supported by the company's ability to increase added value economically.

Mangkunegara (2010) states that performance can be divided into 2 (two), namely: (1) individual performance is the result of employee work both in terms of quality and quantity based on predetermined work standards; (2) organizational performance is a combination of individual performance with group performance.

### **Research Methods:-**

This study aims to examine and analyze the effect of accountability and transparency of regional financial management on the performance of local governments in gowa district. In this research, the method used by researchers is quantitative descriptive method. The sample in this study is SKPD in the local government of Gowa Regency with the respondent of the head of the agency, secretary, head of the field, head of section and staff of each SKPD involved in the process of regional financial management. The type of data used in this study is primary data. The variables in this study are Accountability of Regional Financial Management (X1), Transparency of Regional Financial Management (X2), Performance of Local Government Agencies (Y). This research will be tested with multiple regression analysis method techniques and interaction regression.

### **Results:-**

#### ***Description of Research Results***

##### **Multiple Linear Regression Analysis Test**

The data analysis technique used in this study uses multiple linear regression analysis techniques with the following equation assumptions:

$$Y = b_0 + b_1X_1 + b_2X_2 + e$$

Information:

Y = Agency Performance

X1 = Accountability

X2 = Transparency

b0 = Constant

b1-2 = Regression coefficient

e = Residual or random error

By using the data analysis program tool SPSS Version 25, the regression coefficient value for each variable which includes accountability and transparency is obtained which is included in the following model:

$$Y = 6,069 + 0,397X_1 + 0,312X_2$$

The multiple linear regression equation above can be interpreted as follows:

1. The multiple linear regression formula above shows a constant value of 6.069, which means that if the variable score includes accountability of regional financial management and transparency of regional financial management the value is constant, the performance of local government agencies in Gowa Regency has a value of 6.069.

Table 1 Regression Calculation Results

		Coefficients <sup>a</sup>						
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	6.069	2.012		3.016	.003		
	Akuntabilitas	.397	.094	.377	4.227	.000	.696	1.437
	Transparansi	.312	.098	.285	3.201	.002	.696	1.437

a. Dependent Variable: Local Government Performance

Source: Primary data processed, 2020

1. The regression coefficient value of regional financial management accountability (X1) is 0.397, which means that there is a positive and significant influence of regional financial management accountability on the performance of local government agencies in Gowa Regency of 0.397 so that if the accountability score for regional financial management increases by 1 point it will be followed by an increase in the score. the performance of local government agencies by 0.397 points.
2. The regression coefficient value for the transparency of regional financial management (X2) is 0.312, which means that there is a positive and significant effect of the transparency of regional financial management on the performance of local government agencies in Gowa Regency of 0.312 so that if the transparency score of regional financial management increases by 1 point it will be followed by an increase in the score. the performance of local government agencies in Gowa Regency was 0.312 points.

### Hypothesis testing

To test the currently developing hypothesis, in this study the authors used several tests, namely:

1. Beta Test (Testing predominantly)
2. t test (partial test)
3. F test (testing the suitability of the model with the data)

With the help of using the SPSS version 25 data processing analysis program, which can be described and explained as follows:

This study also found the magnitude of the influence of the independent variables on the dependent variable which can be seen from the value of the coefficient of determination (Adjusted R square) and can be seen in the following table:

### Table of Determination Test Results

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.585 <sup>a</sup>	.342	.331	1.39832	1.555

a. Predictors: (Constant), Transparency, Accountability

b. Dependent Variable: Local Government Performance

Sumber : Data primer diolah, 2020

The value of the coefficient of determination (Adjusted R square) is 0.331 which means that the independent / independent variable (X) which includes the accountability of regional financial management and transparency of regional financial management contributes to variations in the performance of local government agencies in Gowa Regency by 33.1%, while the rest 66.9% is influenced by other variables not included in this study.

#### t-test

The t test is used to determine the ability of each independent variable individually (partially) in explaining the behavior of the dependent variable. This can be seen in the results of the analysis of SPSS version 25 data processing which are contained in the following table:

Table t test results

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	6.069	2.012		3.016	.003		
	Accountability	.397	.094	.377	4.227	.000	.696	1.437
	Transparency	.312	.098	.285	3.201	.002	.696	1.437

a. Dependent Variable: Local Government Performance

Source: Primary data processed, 2021

- Therefore tcount of 4.227 is greater than t table of 1.980, which means that the first hypothesis in this study is accepted. It can also be interpreted that the regional financial management accountability variable has a positive and significant direct effect on the performance of local government agencies in Gowa Regency.
- Therefore tcount of 3.201 is greater than t table of 1.980, which means that the first hypothesis in this study is accepted. The variable of transparency in regional financial management has a positive and significant direct effect on the performance of local government agencies in Gowa Regency.

From the description of the t test using the SPSS version 25 data analysis program, it is known that the two independent / independent variables (X) have a positive and significant direct effect on the performance of local government agencies in Gowa Regency with the following summary:

1. Accountability variable for regional financial management (X1) with tcount 4.227 > t table 1.980.
2. Variable transparency of regional financial management (X2) with tcount 3.201 > t table 1.980.

## F-test

The analysis was carried out using the SPSS version 25 data processing program tool which can be described in Table 5.17. following:

Table F test results

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	120.895	2	60.447	30.915	.000 <sup>b</sup>
	Residual	232.679	119	1.955		
	Total	353.574	121			

a. Dependent Variable: Local Government Performance

b. Predictors: (Constant), Transparency, Accountability

Source: Primary data processed, 2021

Because the value of Fcount of 30.915 is greater than F table = 3.072, it means that the data used is in accordance with the model used, namely  $Y = a + b_1X_1 + b_2X_2 + e$ . Where based on the results of the analysis using the SPSS version 25 tool, the regression coefficient value of each variable which includes accountability and transparency is obtained, namely  $Y = 6,069 + 0.397X_1 + 0.312X_2 + e$ .

Based on the results of data analysis of SPSS version 25, it is known that the significance value of 0.000 is smaller than the significance value used in this study, which is 0.05, this proves that the data used is in line with the resulting model. The regression model on the data analysis can be used or appropriate to test the effect of accountability of regional financial management and transparency of regional financial management on the performance of local government agencies in Gowa Regency.

## Discussion:

### The Effect of Accountability of Regional Financial Management on the Performance of Local Government Agencies

Through hypothesis testing, it is shown that the tcount of 4.227 is greater than the t table of 1.980, which means that the accountability variable of regional financial management has a positive and significant direct effect on the performance of local government agencies in Gowa Regency, thus the hypothesis is accepted. This means that the better the accountability of regional financial management, the more effective the performance of local government agencies will be, and vice versa, a decrease in the accountability of regional financial management will reduce the performance of local government agencies.

The results of this study are also in line with research conducted by Nadia Garini (2011) who concluded that simultaneously transparency and accountability have an effect on the performance of Dinas in Bandung City. Transparency and accountability simultaneously contribute or influence as much as 67.2% on the performance of Dinas in Bandung City. Likewise, research conducted by Widya Martha (2014) tested the hypothesis partially and simultaneously showing that transparency and accountability have a significant effect on the performance of government agencies.

### The Effect of Transparency in Regional Financial Management on the Performance of Local Government Agencies.

Through hypothesis testing, it is shown that the tcount of 3.201 is greater than the t table of 1.980, which means that the transparency variable of regional financial management has a positive and significant direct effect on the performance of local government agencies in Gowa Regency, thus the hypothesis is accepted. This means that the better the transparency of regional financial management, the more effective the performance of local



government agencies is, and vice versa, the decrease in the transparency of regional financial management will reduce the performance of local government agencies.

The results of this study are also in line with research conducted by Nadia Garini (2011) who concluded that simultaneously transparency and accountability have an effect on the performance of Dinas in Bandung City. Transparency and accountability simultaneously contribute or influence as much as 67.2% on the performance of Dinas in Bandung City. Likewise, research conducted by Widya Martha (2014) tested the hypothesis partially and simultaneously showing that transparency and accountability have a significant effect on the performance of government agencies.

### **Conclusion:**

Based on the results of the analysis in this study, several conclusions can be drawn as follows:

1. There is a positive and significant direct effect of regional financial management accountability on the performance of local government agencies in Gowa Regency, with a tcount of  $4.227 > t$  table 1.990. This means that the better the accountability of regional financial management, the more effective the performance of local government agencies will be, and vice versa, a decrease in the accountability of regional financial management will reduce the performance of local government agencies.
2. There is a positive and significant direct effect of transparency of regional financial management on the performance of local government agencies in Gowa Regency, with a tcount of  $3.201 > t$  table 1.990. This means that the better the transparency of regional financial management, the more effective the performance of local government agencies will be, and vice versa, the decrease in the transparency of regional financial management will reduce the performance of local government agencies.

### **Reference:**

1. Aliyah dan Nahar. (2012). *Pengaruh Penyajian Laporan Keuangan Daerah dan Aksesibilitas Laporan Keuangan Daerah Terhadap Transparansi dan Akuntabilitas Pengelolaan Keuangan Daerah Kabupaten Jepara*. Jurnal Akuntansi & Auditing. Volume 8/No. 2/Mei 2012: 97-189. Hlm. 137-150
2. Arikunto, S. (2015). *Prosedur Penelitian : Suatu Pendekatan Praktek edisi revisi IV*, Jakarta : Rineka Cipta.
3. Halim, Abdul. (2002). *Akuntansi dan Pengendalian keuangan Daerah*. Yogyakarta: Unit Penerbit dan Percetakan (UPP) AMP YPKN.
4. Krina P, Loina Lalolo. (2003). *Indikator dan Alat Ukur Prinsip Akuntabilitas, Transparansi & Partisipasi*. Jakarta: Sekretariat Good Public Governance Bappenas.
5. Mahsun, Mohamad. (2006). *Pengukuran Kinerja Sektor Publik*. Yogyakarta : BPFE.
6. Mardiasmo. (2006). *Perwujudan Transparansi dan Akuntabilitas Publik Melalui Akuntansi Sektor Publik: Suatu Saran Good Governance*. *Jurnal Akuntansi Pemerintahan*. Volume 2 Nomor 1. Mei 2006. Hal 2-4
7. Mahmudi. (2016). *Akuntansi Sektor Publik*. Yogyakarta: Ull Press 4
8. Mahmudi. (2016). *Analisis Laporan keuangan Pemerintah Daerah*. Penerbit : UPP STIM YKPN. Yogyakarta
9. Maryati, Sri. 2012. *Pengaruh Kejelasan Tujuan, Gaya Kepemimpinan dan Kinerja Keuangan Pemerintah Terhadap Kinerja Satuan Kerja Perangkat Daerah (SKPD) Provinsi Bengkulu*. Tesis. Program Pascasarjana (S2) Prodi Magister Akuntansi Fakultas Ekonomi Universitas Bengkulu. Bengkulu.



- 10 Mulyana, Budi. (2006). *Pengaruh Penyajian Neraca Daerah dan Aksesibilitas Laporan Keuangan terhadap Transparansi dan Akuntabilitas Pengelolaan Keuangan Daerah*. Jurnal Akuntansi Pemerintahan Vol.2 No. 1. Mei 2006.
- 11 Nordiawan, Deddi. dkk. (2008). *Akuntansi Pemerintahan*. Jakarta : Salemba empat.
- 12 Natalia, Christy Lewier. (2015). *Pengaruh Penyajian Laporan Keuangan Daerah Dan Aksesibilitas Laporan Keuangan Daerah Terhadap Akuntabilitas Pengelolaan Keuangan Daerah Kabupaten Klaten*. Universitas Atma Jaya. Yogyakarta
- 13 Purba, Marisi. (2012). *Profesi Akuntan Publik Indonesia*. Jakarta: Graha Ilmu.
- 14 Ratih, Asri Eka. (2012). *Pengaruh Pemahaman Sistem Akuntansi Keuangan Daerah, Penatausahaan Keuangan Daerah Dan Pengelolaan Barang Milik Daerah Terhadap Kinerja SKPD Pada Pemerintahan Provinsi Kepulauan Riau*. Tesis. Medan. Program Pasca Sarjana. Univesitas Sumatera Utara.
- 15 Sande, Peggy. (2013). *Pengaruh Penyajian Laporan Keuangan dan Aksesibilitas Laporan Keuangan Terhadap Akuntabilitas Pengelolaan Keuangan Daerah*. Skripsi. Padang. FE Universitas Negeri Padang.
- 16 Steccolini, Ileana. (2002). *Local Government Annual Report: an Accountability Medium?. EIASM Conference on Accounting and Auditing in Public Sector Reforms*. Dublin. September 2002. Hlm. 1-30
- 17 Sugiyono. (2012). *Metode Penelitian Kombinasi (Moxed Methods)*. Bandung: CV Alfabeta.
- 18 Sumarsono, S. (2010). *Manajemen Keuangan Pemerintahan*. Edisi Pertama. Cetakan Pertama. Yogyakarta: Graha Ilmu.
- 19 Wahida, N. (2015). *Pengaruh Penyajian Laporan Keuangan Daerah Dan Aksesibilitas Laporan Keuangan Daerah Terhadap Akuntabilitas Pengelolaan Keuangan Daerah Kabupaten Konawe Utara*. Skripsi. Fakultas Ekonomi Universitas Hasanuddin, Makassar.
- 20 *Undang-Undang Republik Indonesia Nomor 17 Tahun 2003 Tentang Keuangan Negara*. Jakarta.
- 21 *Undang-Undang Republik Indonesia Nomor 17 tahun 2004 tentang Keuangan Negara*. Jakarta.
- 22 *Undang-Undang Nomor 25 Tahun 2009 tentang Pelayanan Publik*.
- 23 *Peraturan Pemerintah Nomor 71 Tahun 2010 tentang Standar Akuntansi Pemerintahan*.