



Performance of Budgeting, Accountability System for Government Institutions, Performance Internal Control and Accountability Performance Report of Government Agencies in East Kalimantan

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ABSTRACT

The form of the accountability report for regional financial management for one budget year for central government agencies for one fiscal year is in the form of Government Institutional Performance Accountability Reports (LAKIP), in which this financial report contains annual performance reports and accountability for the performance of a regional government or central government agency. To ensure that the budget that has been set is carried out properly and in accordance with the goals of the organization, it is necessary to apply controls. the purpose of this research is to explain the causal relationship between research variables by testing the hypotheses that have been formulated. In this study will explain the causal relationship between internal or exogenous variables in the form of Performance Budgeting, Government Agency Performance Accountability System (SAKIP), and Government Institution Performance Accountability (AKIP) in the form of external variables or endogenous Internal Control 1 and external or endogenous variables 2 Performance Accountability Report Government Agencies (LAKIP). From the results of the study showed that the effect of Performance Budgeting had no significant effect on internal control, while the results of other variables have a significant effect on the Government Institutional Performance Accountability System (SAKIP), and Government Institutional Performance Accountability (AKIP), Internal Control and Government Institution Performance Accountability Reports (LAKIP)

Keywords: Performance Budgeting, Government Institution Performance Accountability System (SAKIP), Government Agency Performance Accountability (AKIP), Internal Audit, Government Performance Accountability Report (LAKIP)

INTRODUCTION

Performance-based budgeting is a system that includes program preparation activities and benchmarks or performance indicators as an instrument to achieve program goals and objectives that have been planned and is a system of regional budget preparation and management that is oriented towards achieving results or performance. This performance reflects the efficiency and effectiveness of public services, which means that it is also oriented to the public interest (Mardiasmo, 2002: 105). Furthermore, the budget is a statement about the estimated performance to be achieved over a certain period of time expressed in financial measures while budgeting is a process or method for preparing a budget (Mardiasmo, 2002: 61).

Form of accountability reports for regional financial management for one year budget for local government in the form of Local Government Financial Statements (LKPD), while for central government agencies for one budget year is in the form of Government Institutional Performance Accountability Reports (LAKIP) where both types of financial statements contain annual performance reports and accountability for the performance of a local government or central government agency. Strengthening the performance accountability system and fulfilling obligations contained in Government Regulation Number 8 of 2006 concerning Financial Reporting and Government Performance.

Upaya mensukseskan program reformasi birokrasi yang sedang digalakkan pemerintah saat ini setiap daerah diharapkan tidak lagi berorientasi pada seberapa besar anggaran yang telah berhasil dihabiskan, namun harus sudah mengubah orientasi pada kinerja yang akan dihasilkan (*result oriented*). Untuk itulah pemerintah daerah harus melaksanakan Sistem Akuntabilitas Kinerja Instansi Pemerintah (SAKIP) secara benar, mulai dari perencanaan kinerja, pengukuran kinerja, pelaporan kinerja sampai evaluasi kinerja.

Sebagai organisasi sektor publik, pemerintah daerah dituntut agar memiliki kinerja yang berorientasi pada kepentingan masyarakat dan mendorong pemerintah untuk senantiasa tanggap dengan lingkungannya, dengan berupaya memberikan pelayanan terbaik secara transparan dan berkualitas serta adanya pembagian tugas yang baik pada pemerintah tersebut. Tuntutan yang semakin tinggi diajukan terhadap pertanggungjawaban yang diberikan oleh penyelenggara negara atas kepercayaan yang diamanatkan kepada mereka.

Mengacu kepada bidang administrasi pemerintahan, telah dihasilkan pula peraturan perundangan-undangan, berupa Instruksi Presiden (Inpres) Nomor : 7 Tahun 1999 tentang Akuntabilitas Kinerja Instansi Pemerintah (AKIP), yang merupakan salah satu upaya pemerintah untuk meningkatkan pelaksanaan tata pemerintahan yang baik dan bertanggung jawab yang dijabarkan lebih lanjut dalam Keputusan Kepala Lembaga Administrasi Negara Nomor 589/IX/6/Y/99 tentang Pedoman Pelaporan Akuntabilitas Instansi Pemerintah. Pada tahun 2003 pedoman tersebut diperbaiki dengan Keputusan Kepala LAN Nomor 239/IX/6/8/2003 tentang Perbaikan Pedoman Pelaporan Akuntabilitas Kinerja Instansi Pemerintah.

Performance accountability itself can be relied on with financial support and quality performance in the context of accountability and flexibility in the government environment, and for the implementation of the provisions of Article 55 paragraph (5) of Law No. 1 of 2004 the government sets Government Regulation No. 8 of 2006 concerning Financial Reporting and Performance of Government Agencies which mentions the need to integrate the accountability system of government agencies with the strategic planning system, budgeting system, and government accounting systems. The highly integrated system is expected to replace Presidential Instruction No. 7 of 1999, so that an integrated financial report and performance can be produced. With the various regulations that have been issued, it is hoped that the accountability of the performance of government agencies will be realized.

To ensure that the budget that has been set is carried out properly and in accordance with the goals of the organization, then control is needed. Internal control is a process designed to provide reasonable certainty regarding the achievement of management objectives regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations (Arens, 2006: 412).

LITERATURE REVIEW AND HYPOTHESIS

Performance Budgeting

Performance Budgeting is *"a continuum that involves the availability and use of performance information at each of the various stages of the budget process-budget preparation, budget approval, budget execution, and audit evaluation"* (Joyce and Sieg, 2000:154). Performance budgeting or abbreviated (ABK) is a budgeting method to associate each cost as outlined in activities with the benefits generated. These benefits are described in a set of goals and objectives set out in the performance targets for each work unit (Anggraini, 2010)

Performance based budgeting according to (Kurniawan 2009: 25) is a budgeting method for management to link each funding outlined in activities with expected outputs and outcomes including efficiency in achieving the results of the output. Budget with a performance approach strongly emphasizes the concept value for money and supervision of performance output. This approach also prioritizes the mechanism of determining and prioritizing objectives and a systematic and rational approach in the decision making process of (Mardiasmo 2002: 67).

Government Institution Performance Accountability System (SAKIP)

According to the Presidential Regulation of the Republic of Indonesia No. 29 Tahun 2014 Performance Accountability System of Government Agencies Is a Systematic Series of Activities, tools and procedures designed for the purpose of determining and measuring, data collection, classification, summarizing and reporting performance to government agencies in the context of accountability and improvement of government agencies.

Accountability System The performance of Government Agencies is essentially an instrument used by government agencies in fulfilling the obligation to account for the success and failure of organizational mission implementation consisting of various components which constitute a single entity, namely strategic planning, performance planning, performance measurement and performance reporting (LAN, 2003 : 3).

Accountability of Government Institution Performance (AKIP)

Presidential Instruction Number 7 of 1999 concerning Accountability of Performance of Government Agencies is a tangible manifestation of the implementation of accountability in Indonesia. This Presidential Decree defines Government Institutional Performance Accountability (AKIP) as the accountability of the success or failure of the mission and vision of government agencies in achieving the goals and targets set through a set of performance indicators. In the context of this AKIP, government agencies are expected to provide performance information that can be understood and used as a measure of success or failure to achieve these goals and objectives.

LAN (2003: 3) states that the accountability of the performance of government agencies is the realization of the obligation of a government agency to account for the success / failure of the implementation of the organization's mission in achieving the goals and objectives that have been determined through periodic accountability tools.

Internal Control

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) (1992: 16) : Internal control is defined as a system of policies and procedures a firm employs to safeguard the firm's assets, ensure accurate and reliable accounting records and information, promote efficiency, and measure compliance with established policies.

Murtanto (2005: 53) defines internal control is a process influenced by the board of directors, management and other personnel in the company, which is designed to provide reasonable guarantees regarding the achievement of objectives in the following categories; (1) effectiveness and efficiency of operations, (2) reliability of financial reporting, and (3) compliance with applicable laws and regulations.

The purpose of the internal control system is revealed by James A. Hall (2004: 143) which states that: *"The internal control system comprises policies, practices, and procedures employed by the organization to achieve four board objectives: (1) to safeguard assets of the firm; (2) to ensure the accuracy and reliability of accounting records and information; (3) to promote efficiency in the firm's operations; (4) to measure compliance with management's prescribed policies and procedures"*.

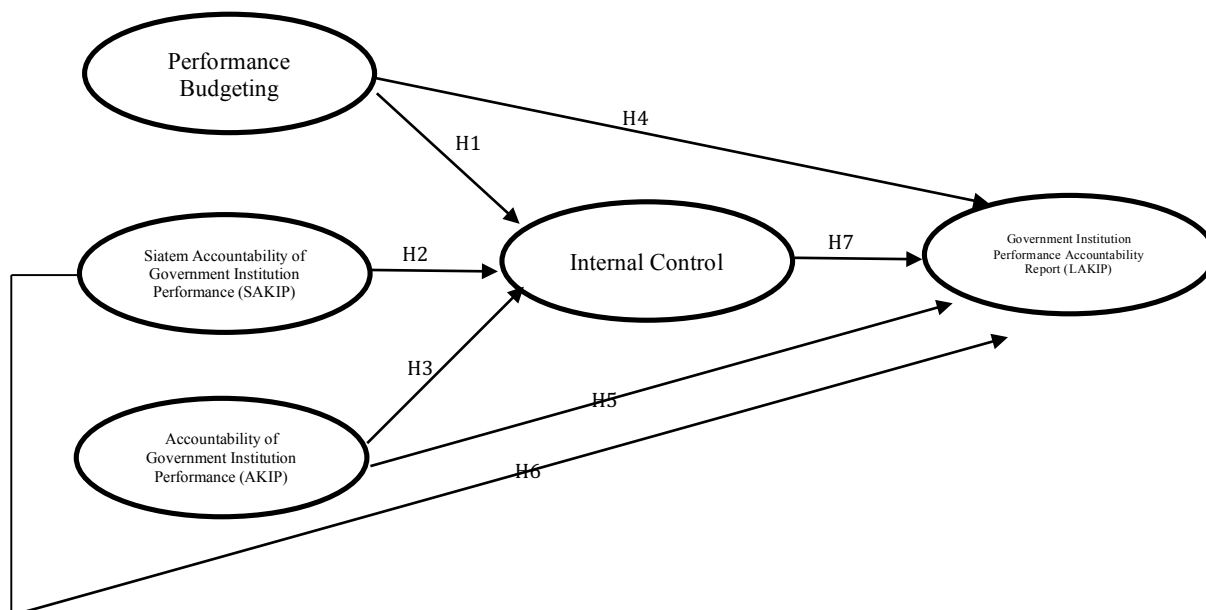
Government Institution Performance Accountability Report (LAKIP)

Government agency performance accountability report (LAKIP) is a report that contains the accountability and performance of a government agency for district / city-level regional governments. What is meant by government agencies is the regional work unit (SKPD).

Permen PAN Number: 29 of 2010 concerning Performance Accountability Report Performance accountability report (Article 12) is an annual performance report that contains the accountability of an agency's performance in achieving the agency's strategic goals / objectives. The performance accountability report as referred to in article 12 contains an overview of the achievement of targets as stipulated in the performance determination document and planning documents (Article 16 paragraph 1).

Hypothesis

1. Performance Budget has a significant effect on the Internal Control System in the Government of East Kalimantan Province (H1).
2. Accountability System Performance of Government Agencies has a significant effect on the Internal Control system in the government of the province of East Kalimantan (H2).
3. Accountability The performance of Government Agencies has a significant effect on the Internal Control System in the administration of the province of East Kalimantan (H3).
4. Performance Budgeting has a significant effect on the Performance Accountability Report of Government Agencies in the provincial government of East Kalimantan (H4).
5. Accountability System The performance of Government Agencies has a significant effect on the Performance Accountability Report of Government Agencies in the provincial government of East Kalimantan (H5).
6. Accountability The performance of Government Agencies has a significant effect on the Performance Accountability Report of Government Agencies in the East Kalimantan provincial government (H6).
7. Internal Control has a significant effect on the Performance Accountability Report of Government Agencies in the provincial government of East Kalimantan (H7).

Research Model (see Figure 1).**Figure 1. Research Model****RESEARCH METHODE**

The research is categorized in explanatory research, because the purpose of this research is to explain the causal relationship between research variables by testing the hypotheses that have been formulated. In this study will explain the causal relationship between internal or exogenous variables in the form of Performance Budget, Government Institution Performance Accountability System (SAKIP), and Government Institution Performance Accountability (AKIP) in the form of external variables or endogenous Internal Control 1 and external or endogenous variables 2 Performance Accountability Report Government Agencies (LAKIP).

through 28 SKPD with Respondents 292 Financial officers in the Government of the Province of East Kalimantan. With the Slovin formula, a sample of 169 financial part employees in the East Kalimantan Provincial Government was taken with the proportional random sampling method. In this study inferential statistical data analysis was measured using Smart PLS (Partial Least Square) software starting from the measurement model (outer model), model structure (inner model) and hypothesis testing.

ANALYSIS AND DISCUSSION

The results of the Path Coefficients analysis can be seen in table 1

Table 1 The result of Analysis using Path Coefficients (Mean, STDEV, T-Values) :

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
Performance Budgeting -> Internal Control	0.139426	0.140101	0.012838	0.012838	10.860017
SAKIP -> Internal Control	-0.011349	-0.011574	0.010868	0.010868	1.044217
AKIP -> Internal Control	0.615791	0.615561	0.010980	0.010980	56.081624
Performance Budgeting -> LAKIP	0.046742	0.047124	0.009451	0.009451	4.945928
SAKIP -> LAKIP	0.050964	0.051633	0.009249	0.009249	5.510417
AKIP -> LAKIP	1.104058	1.104535	0.010143	0.010143	108.847492
Internal Control -> LAKIP	-0.195168	-0.196234	0.013072	0.013072	14.930468

The table above shows that the relationship between:

Performance Budgeting -> Internal Control

The effect of Performance Budgeting on Internal Control is significant with T-statistics of 10.860017 (> 1.96). The value of the original sample estimate is positive that is equal to 0.139426 which shows that the direction of the relationship between Performance Budget and Internal Control is positive (Unidirectional).

Government Agency Performance Accountability System (SAKIP) -> Internal Control

The effect of SAKIP on Internal Control is insignificant with T-statistics of 1,044217 (<1.96). The value of the original sample estimate is negative, which is -0.011349 which indicates that the direction of the relationship between SAKIP and Internal Control is negative (opposite / two-way)

Accountability of the Performance of Government Agencies (AKIP) -> Internal Control

The effect of AKIP on Internal Control is significant with T-statistics of 56.081624 (<1.96). The value of the original sample estimate is positive that is equal to 0.615791 which indicates that the direction of the relationship between AKIP to Internal Control is positive (one direction).

Performance Budgeting -> Government Institution Performance Accountability Report (LAKIP)

The effect of Performance Budget on LAKIP is significant with T-statistics of 1,995803 (> 1.96). The value of the original sample estimate is positive that is equal to 0.046742 which indicates that the direction of the relationship between Performance Budget and LAKIP is positive (one direction).

Government Institution Performance Accountability System (SAKIP) -> Government Institution Performance Accountability Report (LAKIP)

The effect of SAKIP on LAKIP is significant with T-statistics of 5.410493 (> 1.96). The value of the original sample estimate is positive that is equal to -0.053764 which indicates that the direction of the relationship between SAKIP and LAKIP is negative (opposite / two-way).

Accountability of Performance of Government Agencies (AKIP) -> Accountability Report on Government Institution Performance (LAKIP)

The effect of AKIP on LAKIP is significant with T-statistics of 108,847492 (> 1.96). The value of the original sample estimate is positive that is equal to -1.104058 which indicates that the direction of the relationship between AKIP to LAKIP is positive (one direction).

CONTROL -> Government Agency Performance Accountability Report (LAKIP)

The influence of Control on LAKIP is significant with T-statistics of 14.930468 (> 1.96). The value of the original sample estimate is negative that is equal to -0.195168 which indicates that the direction of the relationship between Controls against LAKIP is negative (two-way).

SUMMARY

1. *Performance Budgeting has a significant effect on the internal control of the provincial government of East Kalimantan, this can mean that if Performance Budget can meet the goals and objectives achieved, the Internal Control is good. As for the opposite, if Performance Budgeting is not in line with the target, internal control is bad.*
2. The Government Institutional Performance Accountability System (SAKIP) has no significant effect on Internal Control, It can be interpreted that the Government Institutional Performance Accountability System (SAKIP) implemented by the Regional Work Unit on the East Kalimantan Provincial Government has no effect on the implementation of Internal Control carried out by the Regional Work Unit within the East Kalimantan Provincial Government. On the contrary, Internal Control carried out within the Regional Work Unit within the East Kalimantan Provincial Government did not affect the implementation of the Government Institutional Performance Accountability System (SAKIP) in the Regional Work Unit within the East Kalimantan Provincial Government. Assuming that the Implementation of the Government Institutional Performance Accountability System (SAKIP) must be in accordance with its implementation with the prevailing laws and regulations. Even though the existing system and its control are good but if the resources are not supportive then the system will not work.
3. Accountability of Performance of Government Agencies (AKIP) has a significant influence on Internal Control. This can be drawn that what if the implementation of Government Institutional Performance Accountability (AKIP) in the Regional Work Unit within the East Kalimantan Provincial Government is carried out properly, then the Internal Control of the Regional Work Unit in the East Kalimantan Provincial Government will be good. On the contrary, if the implementation of Government Institutional Performance Accountability (AKIP) in the Regional Work Unit within the East Kalimantan Provincial Government is not implemented properly, the Internal Control Unit of the Regional Government Work Unit within the East Kalimantan Province will not be good.
4. *Performance Budgeting have a significant effect on the Government Instant Performance Accountability Report (LAKIP), this can mean that if Performance Budgeting can meet the goals and objectives achieved, the level of Government Institutional Performance Accountability Report (LAKIP) is of high quality. As for the opposite, if Performance*

Budgeting is not in line with the target, the Government Instability Performance Accountability Report (LAKIP) is not qualified.

5. The Government Institutional Performance Accountability System (SAKIP) has a significant effect on the Government Institutional Performance Accountability Report (LAKIP). It can be interpreted that if the implementation of the Government Institutional Performance Accountability System (SAKIP) carried out by the Regional Work Unit on the East Kalimantan Provincial Government is in accordance with the applicable rules and regulations, the Quality of Government Institution Performance Accountability Report (LAKIP) Unit Regional Work in the Environment of the East Kalimantan Provincial Government Good. As for the opposite, if the implementation of the Government Institutional Performance Accountability System (SAKIP) carried out by the Regional Work Unit on the East Kalimantan Provincial Government is not in accordance with the prevailing laws and regulations, Quality of Accountability Report on Performance of Government Agencies (LAKIP) Work Unit of Regional Devices in the Government of East Kalimantan Province Good.
6. Accountability of Government Institutional Performance (AKIP) has a significant effect on Government Institution Performance Accountability Reports (LAKIP). It can be interpreted that Accountability Performance of Government Agencies (AKIP) in the Regional Work Unit within the East Kalimantan Provincial Government can provide performance information that can be understood and used as a measure of success or failure to achieve these goals and objectives will affect the Quality of Performance Accountability Reports Government Agencies (LAKIP).
7. Control has a significant effect on the Government Institutional Performance Accountability Report (LAKIP). This can mean that internal control carried out by the Regional Work Unit within the East Kalimantan Provincial Government has been carried out properly so that it will affect the quality of the Government Institutional Performance Accountability Report (LAKIP).

LIMITATION

The results of this study have several limitations, namely:

1. The data measurement scale used is interval data, it is still possible to use ordinal data to produce accurate data, the population used is still limited to the Regional Work Unit in the government of East Kalimantan Province, the scope of the research area can be developed with a broader scope than the National, but with a very large population it is limited by sampling, because the questionnaire must be submitted directly to the respondents whose numbers will be very large.
2. The research carried out refers to expert theory in the form of textbooks and empirical facts from research results in the form of journals, both national and international journals. For perceived desires and feasibility, there are quite a lot of textbooks and support journals, but for accessibility theory the references are very limited.

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