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Accountability and transparency analysis regional financial management as performance indicators local governments in central Lombok district

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ABSTRACT

The implementation of accountability and transparency in regional financial management is expected to improve the performance of local governments. This study aims to analyze the effect of accountability and transparency of regional financial management on the performance of the local government of Central Lombok Regency. The type of research used is descriptive quantitative. The population in this study were all SKPD in Central Lombok Regency with a sample of 20 respondents. The sampling technique uses the Purposive Sampling method. This study uses a questionnaire as an instrument in the study which is distributed directly to the respondents. The data analysis method used in this research is Multiple Linear Regression, hypothesis testing with t-test and F-test, and Coefficient of Determination Test. The results showed that partially (t-test) the variables of Accountability and Transparency of Regional Financial Management, had a significant and positive effect on Local Government Performance. Simultaneously (F-test) the variables of Accountability and Transparency of Regional Financial Management, have a significant and positive effect on Local Government Performance. This shows that the better the level of accountability and transparency in regional financial management, the better the performance of local governments.



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Introduction

Indonesia is a country with a very wide area, which is divided into several provinces and districts/cities (Dini & Fauzan, 2020). The vast territory of Indonesia causes the central government to implement a system of autonomy or decentralization to local governments (Talitha et al., 2020). According to Law no. 23 of 2014 article 1 paragraph 6 regional autonomy is the right, authority, and obligation of autonomous regions to regulate and manage their government affairs and the interests of local communities in the system of the Unitary State of the Republic of Indonesia (Ristanti & Handoyo, 2017). If previously all government systems were centralized or centralized, after the implementation of regional autonomy, it is hoped that regions can regulate the life of their regional government by optimizing the potential of their regions (Yusdianto, 2015).

Regional financial management is all activities that include planning, implementation, administration, reporting, accountability, and supervision of regional finances. Related to this, local governments need to prepare the right instrument to manage or manage assets in a professional, transparent, and accountable manner,

starting from the planning, distribution, and utilization stages as well as supervision (Hutagalung, 2016). The planning process begins with planning activities guided by the Regional Medium-Term Development Plan (RPJMD), which is an elaboration of the vision, mission, and program of the elected regional head. The Regional Work Units (SKPD) based on the RPJMD then make a strategic plan (Rienstra-SKPD) which contains the vision, mission, goals, strategies, policies, programs, and development activities that are indicative following the duties and functions of each SKPD. Then the regional government prepares a Regional Government Work Plan (RKPD) for 1 (one) year which contains a regional economic framework design, development priorities, and regional obligations, a measurable work plan, and funding, whether implemented directly by the regional government or pursued by encouraging social participation (Mahi et al., 2017).

The performance of the government is closely tied to its level of accountability and transparency. In order to enhance accountability and transparency mechanisms, it is crucial to implement effective performance management practices (Edowai, 2021). The effective implementation of laws and regulations pertaining to accountability and transparency in financial management is crucial for promoting good performance in local government and benefiting the public. The implementation of accountability and transparency in local financial management is anticipated to enhance the performance of local governments. The performance of local governments improves as the implementation of accountability for regional financial management becomes more effective. In simpler terms, accountability is necessary in the bureaucratic realm of government agencies. They must be able to present and report on all their activities, particularly in financial administration, in order to demonstrate their responsibility to the public.

Transparency also has an impact on the performance of local government. Transparency is instrumental in minimising opportunities for fraud, corruption, and other illicit activities within the government. By providing a clear view of all processes and outcomes, transparency ensures that the activities conducted by the government are open and visible to the public (Nasution, 2018). Transparency is essential for fostering horizontal accountability between local governments and the community. This accountability is crucial in establishing a clean, effective, efficient, and responsive local government that aligns with the aspirations and interests of the community. Furthermore, transparency plays a significant role in improving government financial performance. Transparency must be balanced, as it encompasses both the necessity for institutional confidentiality and the protection of individual rights and privacy.

According to Nasution (2018) and Wiguna et al. (2015), their findings show that accountability has a positive and significant impact on local government financial performance. Based on research conducted by Adiwirya & Sudana (2015) and Riswanto (2016), it was found that transparency in local financial management has a significant and favorable impact on local government performance. Other research conducted by Adiwirya (2015) shows that accountability has no effect on performance, while transparency has a positive effect on the performance of the Denpasar City SKPD. Then Suparno (2012) in Auditya et al. (2013), in his research, shows that accountability and transparency do not have a significant effect on regional financial management in Dumai City.

Seeing the gap in previous research, further research is needed. Given the importance of issues regarding local government accountability and transparency, This research will be conducted in the Central Lombok Regency Regional Government, where the population in this study is all SKPD (Regional Work Units) in the Central Lombok Regency Regional Government. The Regional Government of Central Lombok Regency is one area that is in the public spotlight along with the development of development activities carried out. Development activities carried out by local governments need to be evaluated in the form of performance appraisals, intending to see whether the performance of local governments is good or still requires improvement in various fields. Several times, Lombok Regency has received an Unqualified Assessment (WTP) from the Supreme Audit Agency (BPK). This BPK assessment is one measure of local government performance in financial management whether it is used following the mandate in laws and government regulations. Based on the background and problems that have been described, the purpose of this study is to analyse the effect of accountability and transparency in regional financial management on the performance of the Central Lombok Regency local government.

Method

The type of research used in this research is descriptive quantitative research. The use of this research method is based on the problems faced, namely trying to present a picture of the effect of accountability and transparency of financial management on the performance of local governments. This research was conducted in Central Lombok Regency with the consideration that Central Lombok Regency received Unqualified Opinions (WTP) several times from the Supreme Audit Agency of the Republic of Indonesia (BPK-RI). The population in this

study were all SKPD (Regional Work Units) in the Local Government of Central Lombok Regency, totaling 32 SKPD consisting of 20 Offices, 8 Agencies, and 4 Offices (Central Lombok Regency Inspectorate). The sample in this study is the entire population (Sugiyono, 2016).

Before the research data is processed further, it is necessary to test the quality of the data generated from the respondents' answers based on the existing questionnaire. Quality tests are carried out to ensure that the questionnaire used is truly valid and reliable in measuring variables. Regression analysis aims to determine the effect of independent variables on the dependent variable by using statistical analysis tools, namely multiple linear regression with the OLS (ordinary least square) approach. (Ghozali, 2016).

Results and Discussions

Regression analysis aims to determine the effect of the independent variable on the dependent variable. The results and discussion of multiple linear regression testing on the effect of accountability and transparency of regional financial management on local government performance using the SPSS 16.0 program can be seen in Table 1 as follows:

Table 1. Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	5.322	1.977	2.692	.009
Accountability (X1)	.290	.080	3.622	.001
Transparency (X2)	.512	.078	6.521	.000

Source: Primary Data Processed

From the results of the regression analysis above, it can be explained that the regression coefficient of the Accountability variable (X1) of 0.290 has a positive value, which means that if the accountability of regional financial management increases, the performance of the local government of Central Lombok Regency will also increase. The influence of regional financial management accountability on the performance of local governments is seen from the responses or assessments of respondents to the statements given through the questionnaire, in general, the respondents' responses say good, this is indicated by the average score of the accountability statements which is 4.33 which is a good rating category. This also shows that the local government of Central Lombok Regency has a good performance, seen from the fulfillment of accountability indicators in carrying out their duties and functions.

Furthermore, the influence of regional financial management accountability on local government performance seen from the results of the partial test is positive and significant with a regression coefficient value of 0.290 and a sig value. $0.000 < 0.05$ and the t-count value is greater than the t-table value ($6.707 > 1.989$) so that H_a is accepted. Thus, if accountability in regional financial management increases, the performance of local governments will increase or improve. By carrying out the principle of good accountability, namely by providing budget accountability based on the provisions of the law and applicable laws, the work is carried out following the standard financial management procedures that have been set, every complaint submitted by individuals or groups is responded to quickly and can be accounted for, In evaluating budget targets, always comparing with actual budget realization/results, able to explain and account for every use of the budget proportionally, processes and responsibilities in budget design and management are monitored continuously, it is hoped that the quality of local government performance will be better so that local governments that well can be realized.

The regression coefficient of the Transparency variable (X2) of 0.512 is positive, which means that if the transparency of regional financial management increases, the performance of the local government of Central Lombok Regency will also increase. These results also show that the local government of Central Lombok Regency has a good performance, seen from the fulfillment of the Transparency indicators in carrying out their duties and functions. Furthermore, the effect of regional financial management transparency on local government performance seen from the results of the partial test (t-test) is positive and significant with a regression coefficient value of 0.512 and a sig value. $0.000 < 0.05$ and the t-count value is greater than the t-table value ($9.189 > 1.899$) so that H_a is accepted. Thus, if transparency in regional financial management increases, it will encourage the performance of local governments to improve.

The effect of accountability of regional financial management on the performance of the local government of Central Lombok Regency

Based on the research findings, it is evident that the effect of regional financial management accountability on local government performance is significant. The t-count value (6.707) surpasses the t-table value (1.989), leading

to the acceptance of H_a . Therefore, when the responsibility for regional financial management is heightened, it will lead to an enhancement in the performance of local governments. The findings provide support for Lukito's (2014) theory on accountability. According to this theory, public activity organizers have a responsibility to explain and address all aspects of their decision-making and processes. They are also expected to be able to account for the outcomes of their performance. The performance of local governments is directly influenced by the effective implementation of accountability for regional financial management. According to a study conducted by Putra & Indraswarawati (2021) it has been found that accountability has a positive impact on the performance of local governments. This aligns with previous research on the subject. The government, at both the central and regional levels, should be capable of providing information to fulfill public rights, including the right to know, the right to be informed, and the right to have their voices heard. It is expected that local governments can effectively implement and maintain accountability in their financial management.

The effect of transparency of regional financial management on the performance of the local government of Central Lombok Regency

The research results clearly show that transparency in regional financial management has a significant impact on the performance of local governments. The value of the t-count (9.189) is greater than the value of the t-table (1.899), indicating that we can accept the alternative hypothesis (H_a). Increasing the transparency of regional financial management will have a positive impact on local government performance. This discovery supports Tanjung's (2014) theory that transparency involves providing the public with honest and open financial information. The theory is based on the belief that the public has the right to be fully informed about the government's accountability in managing entrusted resources and its adherence to laws and regulations. Implementing the principle of transparency is crucial as it serves as evidence of the government's commitment to running a clean, honest, and corruption-free administration. Additionally, it can serve as evidence of the government's effective financial management and contribute to enhancing overall government performance. This research aligns with the findings of Benawan et al. (2018), who concluded that there is a notable positive impact of financial transparency on employee performance. In other words, as financial transparency improves, so does employee performance.

Conclusions

Accountability and transparency of regional financial management partially have a significant effect on the performance of local governments in the Central Lombok Regency. Simultaneous accountability and transparency of regional financial management have a significant effect on the performance of local governments in the Central Lombok Regency.

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