

## **SAKIP-BASED PUBLIC ACCOUNTABILITY FOR LOCAL GOVERNMENTS IN CENTRAL JAVA PROVINCE**

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**Abstract:** This study aims to examine the effect of the findings of the internal control system, the findings of audit results and total spending on sakip-based public accountability. Free variables used in the study of internal control system findings, audit findings and total spending. As for the bound variable is the sakip quality consisting of the sakip score . This study uses secondary data, namely regional financial reports published by the Financial Audit Agency of the Republic of Indonesia (BPK RI) for the 2018-2020 Fiscal Year and SAKIP Score Data processed from the Ministry of Pan and RB-RI. The selection of samples in this study used a saturated sampling method. The data analysis technique in this study uses descriptive statistics, classical assumptions and multiple linear regression. The results of this study show that the findings of spi, total spending have no effect on public accountability. And the findings of the audit results have a positive effect on public accountability.

**Keywords:** *Internal Control System, Audit Findings, Total Expenditure, SAKIP Quality*

### **1. Introduction**

A phenomenon that can be observed in the development of the public sector today is the strengthening of guidance on the implementation of public accountability by public sector organizations (such as: central and local governments, government work units, departments and state institutions). Accountability is used to describe the level of accountability of a person or a certain institution related to the administrative system they have. And it can also be interpreted as a form of obligation to account for the sustainability or failure to carry out the organization's mission in achieving the goals and objectives that have been set before. In Indonesia, performance-based financial management has begun to be mandatory in making public sector financial reports, both central and local governments, but in its implementation it is still not carried out optimally.

The realization of accountability is the main goal of public sector reform is the goal of creating accountability. The reform of public sector management by abandoning traditional administration and switching to NPM is a weakness of the public sector that originated in the private sector. Therefore, the public gets the right to be able to assess the government's accountability in managing the trust given by the community in line with research (Siska, 2020).

The government is responsible to the community because the funds used in the provision of services come from the community either directly (obtained by utilizing the regional financial potential itself), or indirectly (through a financial balance mechanism). The current pattern of local government accountability is more horizontal where local governments are

responsible both to the DPRD and to the wider community (*dual horizontal accountability*). The government, both central and regional, must be able to be the subject of information in order to fulfill public rights, namely the right to know, the right to be informed, and the right to be heard.

How accountable the government is in giving people confidence is a right for the public. In order to ensure accountability for the performance of government agencies, a clear, appropriate and orderly and effective accountability system is developed known as the performance-based Government Agency Performance Accountability System (SAKIP). The SAKIP is then applied through the creation of performance targets and performance indicators that describe success. This research is supported by (Nirvana and Haliah 2018) which states that High and low regulation of system/administrative factors will not affect high and low performance. However, there is a significant indirect influence between system/administration factor regulation on performance through the quality of financial statements which means that the higher the system/administration factor regulation, the higher the performance through the quality of financial statements.

Government Agency Performance Accountability is an order, instrument and method of accountability which essentially includes the following stages:

1. The implementation of strategic planning, performance planning and the determination of work plan plans include the creation of vision, mission goals, policy and program objectives. At this stage, government agencies produce a five-year medium-term work plan (RP JM / RP. IMD) which is then downgraded to a year's performance plan (RKP/RKPD), budget plan (RKA), SOP etc.
2. Performance measurement includes measuring performance indicators, collecting performance data comparing with other similar organizations that are best in their field.
3. Performance reporting, in the form of making a Government Agency Performance Accountability Report (LAKIP) with a predetermined report standard format (detailed with various evidence indicators and achievements).
4. Utilization of performance information for continuous improvement of subsequent performance.

One of the ways to realize good governance is SAKIP. The purpose of implementing SAKIP is so that government administration and balance are successful, responsible and free of practices from KKN. The big problem lies in the gap between understanding and the desire for change. Accountability is understood as a procedural rule that the government must meet. Automatically all acts of service become rule driven only for the benefit of administrative rules and ignore the humanist factor.

Government Agency Performance Accountability (AKIP) encourages agencies to focus on achieving goals. In an effort to achieve goals, a measuring instrument called a performance indicator is needed. Performance indicators in the form of:

1. *Outcomes* : How the expected level of performance achievement is realized, based on outputs (outputs) on policies or programs that have been implemented
2. *Output*: How the product produced directly has a policy or program based on the *input* used.

Weaknesses in the evaluation of performance measurement problems are things that need to be done with these indicators. The PAN Minister revealed that government agencies do not

yet have these indicators. Although the large number of government agencies that develop key performance indicators (IKU) has not met the existing quality. In terms of quantity, the number of government agencies that develop IKU has indeed increased a lot, but in terms of quality, it is still not encouraging ([www.harianpelita.com](http://www.harianpelita.com)). The government's responsibility for the community with the use of funds in the provision of services comes from the community obtained and uses the financial potential of the region itself with financial balance rules. The Government's accountability to the DPRD or the wider community is a horizontal pattern of accountability. The implementation of the Government Agency Performance Accountability System is carried out to produce a quality and aligned performance report. Technical Guidelines for the implementation of SAKIP are regulated through the Regulation of the Minister of State Apparatus Empowerment and Bureaucratic Reform Number 53 of 2014 which explains in detail the performance agreements, performance reporting and review procedures for performance reports of Government agencies.

The application of SAKIP is not always in accordance with the applicable rules. One of the phenomena of inappropriate application of SAKIP is in Central Java. It has been identified that in Blora Regency in 2019, among others, performance has not been used as a reference in the implementation of bureaucratic reforms and the services provided have not been fully able to improve the performance of local governments and the results of implementing bureaucratic reforms are not always in accordance with the expected conditions. This is because there is a false paradigm from the state civil apparatus that the success and failure of the programs and activities implemented are solely to meet the absorption of the budget that has been allocated as a consequence, resulting in many programs and activities that only produce a few outputs, but these outputs *are* not related to the achievement of program *performance results*. (*outcome*) .

This also happens in other districts, namely Sragen Regency. The implementation of SAKIP in Sragen Regency in general has been going well, but there are still obstacles in its implementation. There are several obstacles encountered, namely the lack of synergy of laws and regulations governing the implementation of SAKIP, the absence of regulations that regulate and explain clearly about the assessment criteria or performance indicators, the lack of coordination and commitment to unite views and directions of goals, understanding of the substance of SAKIP as a whole is still low, and the use of LAKIP which is still limited to fulfilling reporting obligations. The recommendation for the 2020 District Government SAKIP results submitted by the Ministry of PAN and RB is the importance of increasing synergy between parties involved in the performance accountability system in the Sragen Regency environment in an effort to continuously improve starting from planning, measuring, reporting, and evaluating performance so that it becomes an integrated and inseparable system and will later affect the improvement of implementation of SAKIP in Sragen Regency. It is important to always realize the *teamwork* of all *leading sectors* so that it can open the partition and the communication process can run well. The following can be included the problems of SAKIP in Central Java and which can be studied through research:

The problem of implementing government SAKIP in Indonesia, especially Central Java, is something that is interesting to be studied further. In fact, the implementation of SAKIP in various districts and cities in Central Java still does not meet the predetermined criteria. In addition, there are still many irregularities that have been found by the Financial Audit Agency in the implementation of the audit of government financial statements. In Law No.33 of 2004 concerning Financial Balance between the Central Government and Local Governments, it is stated that the Minister of Finance has the right to postpone the

distribution of the General Allocation Fund (DAU) if the local government (PEMDA) has not submitted a report on the regional financial system, including the REGIONAL BUDGET.

The purpose of implementing SAKIP is to produce (*outcome*) from the realization of an activity which is a form of government program that has a direct contribution to the achievement of the program targets that have been set. Presidential Regulation No.29 of 2014 which regulates SAKIP, local, national and global strategic plans aims to maintain the implementation of the strategic plan (RESTRa) is the first step that must be taken by government agencies to be *responsive* to every demand from both local, national and global strategic environments. In addition, the implementation of RESTRa still maintains that the strategic plan is within the order of the Unitary State Administration System of the Republic of Indonesia. The RESTRa is authorized which is expected to support the vision, mission, and opportunities and mitigate the obstacles that will be faced in an effort to increase accountability for the performance of government agencies. (Febiani, et al 2016)

Based on information according to the Ministry of Pan & RB, it shows that the SAKIP score in the Central Java region for 3 years on average gets a majority assessment of B, CC with an accountability score of > 50-70 which shows that the ability of government agencies in realizing capacity and targets, adjusting what is budgeted, has not been maximized between implementation and performance achievement reports. So that in this study there are still differences in SAKIP scores and it is necessary to review the performance accountability system as a dependent variable, to determine the influence of internal control system findings, audit findings, total expenditure on the quality of the government performance accountability system.

A theoretical explanation related to the phenomenon of the application of SAKIP in Indonesia has been carried out by (Hendri and Anne 2020) which provides empirical evidence of several factors that influence the application of SAKIP in Indonesia are:

1. Performance agreements with key targets and indicators that are categorical, measurable, achievable, time-bound, trackable or SMART.
2. The provision of information can improve the quality of government administration in the implementation of the duties and functions of government agencies (consulting activities).
3. Organizing performance data for information needs through government accounting and statistical systems.
4. Review and consideration of the performance of regional apparatus by the government internal supervision apparatus (APIP).

The phenomenon of sakip quality in Indonesia, especially central Java, is still found with little empirical support that seeks to explain the factors affecting the quality of public accountability. among them, performance has not been used as a reference in the implementation of bureaucratic reforms and the services provided have not been fully able to improve the performance of local governments and the results of implementing bureaucratic reforms are not always in accordance with the expected conditions. This is because it was found in the negligent gma of the state civil apparatus that the successes and failures of the programs and activities implemented were solely to meet the absorption of the budget already allocated. Using a frame of mind in every improvement in public accountability performance (Ahyaruddin and Akbar 2018). This is in line with the research (Rahaja, et al 2018) stated that increased accountability has a performance measurement component as well which has a considerable influence on the implementation of SAKIP. Performance measurement is

carried out by utilizing performance indicators contained in performance planning documents, agreeing with the research (Fatma, et al 2019) which states that organizational commitment affects employee performance. However, it is not as thoughtful as the research (Nirvana, 2018) which argues that accountability has no effect on the performance of government agencies.

Meanwhile, the variables of the internal control system have also been studied by (Sahala Purba, et al 2022) which states that the internal control system has a positive effect on public accountability. This has a positive impact on the effective and efficient use of resources. Internal control plays an important role in motivating employees to achieve company or agency goals. Internal control ensures that each program or activity is expected to maximize and affect the overall performance of the institution. According to research, the internal control system has a positive effect on government accountability. Several previous studies (Fadli, et al. 2021) and ( Tiya and Trisna 2020) also stated the same thing that SPI has a positive effect on public accountability, as well as research (Hendri and Anne 2020) which uses variables in the application of the government agency performance accountability system (SAKIP) has a positive effect on the implementation of the system accountability of government agencies. However, it does not agree with the research (Safitri and Darsono 2015) which states that the internal control system has no effect on public accountability.

Meanwhile, for the variables of audit findings, several studies have been carried out by (Kewo, and Afiah 2017) (Khasanah and Rahardjo 2014) and (Alpi and Puja 2018) which use audit findings variables have a significant effect on the accountability system of government agencies. States that audit findings have a positive effect on public accountability. Meanwhile, according to research (Noviyanti and Kiswanto 2016) the audit findings of the Financial Audit Agency (BPK) are cases found by the BPK against the local government's financial statements for violations committed by a region against internal control provisions and against applicable laws and regulations. Non-compliance with the provisions of this legislation can result in regional losses, inefficiency. The more violations committed by local governments illustrates the worse the performance of these local governments. Research conducted by (Noviyanti and Kiswanto 2016) variables of BPK audit findings has a significant negative effect on the financial performance of local governments. Financial accounting standards conceptualize standards and methods that are stated as general guidelines in corporate accounting practices in a particular environment In addition to the opinion of the Financial Audit Agency, the quality of Financial Statements can also be seen if they have been prepared in accordance with Government Accounting Standards (SAP), prepared through the local government accounting system (Pujanira & Taman, 2017).

Meanwhile, the variable research on total spending has been carried out by (Pujiwidodo 2016) which states that total spending has a positive effect on public accountability, (Armaja, et al 2017) and (Artha et al. 2021) using those that state that regional spending has a positive effect on the financial performance of local governments. Until later, these indicators can be compared with the resulting realization and become a form of government accountability in the implementation of performance accountability. However, based on research (Nugroho 2018) states that total regional spending negatively affects the financial performance of local governments.

Regarding these factors, several other researchers also provided empirical evidence that in addition, also added internal control variables as independent variables to be tested again, because they have been previously studied by (Septiana, 2020) therefore, it motivates researchers to re-examine the quality of the Government Agency Performance Accountability

System in local government agencies, especially in the Provisisi District / City area Central Java which is influenced by the variables of Internal Control System Findings, Audit Results, and Total Expenditure. And this study aims to provide information to the Regency or City Government in Central Java as input for improving the value of SAKIP, reducing the low quality of internal control system findings as well as findings from audits and the application of regional expenditure funds in Central Java.

### **Decision-Usefulness Theory**

Decision usefulness theory was first put forward in 1954 in a dissertation entitled An Accounting Concept of Revenue at the University of Chicago, United States by George J. Staubus. In the early stages, this theory was known as A Theory of Accounting to Investors (Staubus, 2000). This theory is based on the problem that arises with regard to the concept of accounting based on historical costs, that the concept of historical costs is irrelevant to the accounting valuation of market prices or the approach of present value to fair prices. Decision-use theory includes regarding the terms of the quality of accounting information that are useful in the decisions to be taken by users of accounting information. The usefulness-of-decision accounting information contains components that need to be considered by the presenter of accounting information so that the existing scope can meet the needs of decision makers who will use it. The premise of decision-use theory includes the purpose of accounting to provide financial information about the organization for decision making. The purpose of accounting is associated with stakeholders, namely providing financial information about an organization that will be used in decision making. Management's attitude to the application of accounting standards relates to its importance to the disclosure of accounting information describing financial performance in the form of financial reporting. The theory of the usefulness-decision of accounting information is reflected in the form of rules that must be met by the components of financial reporting in order to be useful in the context of making economic decisions.

This is done by assisting the user in forming predictions about the outcome of past, present and future events or to confirm or justify his expectations. The application of the theory of the usefulness-decision of accounting information includes the components of relevant values, namely timeliness 13 (*timeliness*), feed-back value, and *predictive value*, and components of reliability content, namely *representational faithfulness*, neutrality (neutrality), and can be checked (verifiability). In addition, there is also a secondary quality, as a link between primary quality, namely comparability and consistency. Financial statements can be said to be good if the financial statements can be useful for external parties that are used as a reference or basis in the decision-making process, both short-term and long-term decisions.

This research uses Decision Usefulness Theory which explains the purpose of accounting to provide financial data for decision making. The theory of the usefulness of decisions also explains about the quality requirements of accounting information that are useful in decision making by users of accounting information. The usefulness of accounting information decisions contains components that need to be considered by users of accounting information so that the existing scope can meet the needs of decision makers. (Lestari and Dewi 2020).

The premise of the Theory of the Use of Decisions includes the purpose of accounting to provide financial data about the organization for decision making. The purpose of accounting relates to stakeholders, that is, to provide financial information about an organization that will be used in decision making. Management's response to the implementation of accounting

standards is related to the importance of disclosing accounting information describing financial performance in financial reporting. Accounting and accounting information systems consist of various concepts, namely the concept of accounting itself, the concept of systems, the concept of information, the concept of organization and the concept of decision making.

### **Stewardship Theory**

The underlying theory of this research is part of the agency theory, namely the stewardship theory of Donaldson and Davis, 1991, which describes a situation where management is not motivated by individual goals but rather aimed at their main outcome goals for the benefit of the organization. The theory assumes that there is a strong relationship between organizational satisfaction and success. The success of the organization illustrates the maximization of the utility of the principals and management group. The maximization of the utility of this group will ultimately maximize the interests of the individuals present in the group of organizations.

Stewardship theory is built on philosophical assumptions about human nature, namely that humans are in essence trustworthy, able to act responsibly, have integrity and honesty with others. Achieving success in a government organization can be achieved by maximizing the utility of principals and management. Stewardship theory can be applied in public sector accounting research such as government organizations and other profits.

The implications of steward theory for this research are that it can explain the existence of local government as an institution that can be trusted to accommodate the aspirations of the community, can provide good services for the public, and is able to account for the finances entrusted to it, so that economic goals are met and the welfare of the community can be achieved optimally. To carry out these responsibilities, the stewards (management and internal auditors) direct all their abilities and expertise in streamlining internal control to be able to produce quality financial reports

### **Hypothesis Development**

#### **Effect of Internal Control System Findings on the Quality of Public Accountability**

Internal control is carried out by government activities carried out to prevent misappropriation and control to direct every activity carried out by agencies so that resource management is effective and efficient. Internal control also has an important role in motivating the workman to achieve organizational goals. With internal control, each program/activity can run as expected and will have implications for the performance of government agencies as a whole to be better. All government activities are subject to internal controls to prevent and monitor fraud. Thus, the research (Kewo and Afiah 2017) states that the implementation of the internal control system and internal audit has a positive effect on the quality of financial statements. This study produced a model in the form of a causal relationship between variable path diagrams; government internal control system, internal audit to the quality of local government financial statements. The specifics of the causal relationship model and variable identification are designed based on relevant concepts and theories and refer to the framework of logical constructs.

This has a positive impact on the effective and efficient use of resources. Internal control plays an important role in motivating employees to achieve company goals. Internal control ensures that each program or activity is expected to maximize and affect the overall performance of the institution. According to the study (Sah ala, et al 2022) also stated that the internal control system has a positive effect on government accountability (Fadli, et al.

2021) and (Tiya and Trisna 2020) also stated the same thing that SPI has a positive effect on government accountability.

However, various studies have been conducted on the impact of internal control systems on government performance. The results showed that the implementation of the internal control system had a positive effect on agency performance.

***Hypothesis 1: The findings of the internal control system have a positive impact to Public Accountability***

### **Effect of Audit Findings on Quality of Public Accountability**

Fraud of all kinds in government financial statements is the finding of the CPC audit. Based on (Noviyanti and Kiswanto 2016) that losses to the government are the cause of non-compliance with statutory regulations. The CPC agency checks to provide an assessment to the local government on the financial statements issued.

Based on (BPKP 2011) states that the Internal Audit Accountability model is a communication medium, assessment framework and an orderly improvement roadmap. There are 5 levels in classifying the capabilities of the internal control apparatus, with the aim of measuring the capabilities of the internal control apparatus. The findings of the audit results are cases found by the CPC in the quality of financial statements of the performance of government agencies for violations of inter-control provisions or to applicable laws and regulations. The worsening performance of government agencies illustrates the number of violations. The higher the audit findings, the lower the performance of a government agency.

Research conducted by (Noviyanti and Kiswanto 2016) variables of BPK audit findings have a significant negative effect on the financial performance of local governments. Financial accounting standards conceptualize standards and methods that are stated as general guidelines in corporate accounting practices in a particular environment. In addition to the opinion of the Financial Audit Agency, the quality of Financial Statements can also be seen if they have been prepared in accordance with Government Accounting Standards (SAP), prepared through the local government accounting system (Pujanira & Taman, 2017).

The study of CPC results shows that institutions with lower institutional performance ratings have more CPC audit findings. That is, the government must be more careful in terms of financial management, not only in terms of accounting, but in relation to the performance of agencies. Several studies have also shown that audit results have a significant negative effect on district/city performance. This agrees with the research (Shafira 2019), (Djanegara et al. 2017), (Kurnia 2020) so that the second hypothesis for this study:

***Hypothesis 2: Hasil audit findings positively affect Public Accountability***

### **The Effect of Total Spending on the Quality of Public Accountability**

The total expenditure reflects the abundance of infrastructure and facilities under construction. Increasing their numbers will improve services to the community and consequently improve the performance of government agencies. The seriousness of the Indonesian government towards regional autonomy is evidenced by the promulgation of Law Number 22 of 1999, coupled with Law Number 32 of 2004 concerning the Division of Regional Government Authority. Promulgated on February 25, 1999 with Law Number 33 concerning Financial Autonomy of the Central and Regional Governments. This regulation is

used as a general rule to implement regional autonomy policies throughout Indonesia. except for Aceh and Papua which have been granted special autonomy.

In order to achieve clearly formulated and organized budget targets, the authority can easily find information on the use of the budget that accompanies the realization of the budget. To meet the budget goals of government agencies, it is necessary to provide clear and detailed information about budget goals in a way that is easily understood by budget planners. To achieve the target budget targets within the framework of local governments, the Regional Revenue and Expenditure Budget (APBD) is prepared to establish general directions and guidelines and provide information on specific objectives and objectives. serves as a document tujuan.

According to research (Bastian,2006) clarity of the influence of revenue budgets has a positive impact on the achievement of targets and can lead to the level of decisions made by employees. The preparation of performance accountability planning is also outlined in the strategic plan in question, which is inseparable from the indicators of the results of the realization of government planning. Several studies are also in line with bastian's research including (Pujiwidodo 2016), (Armaja, et al 2017) which states that regional spending has a positive effect on the financial performance of local governments. Until later, these indicators can be compared with the resulting realization and become a form of government accountability in the implementation of performance accountability. However, based on research (Nugroho 2018) states that total regional spending negatively affects the financial performance of local governments. Thus the third hypothesis in the study is

**Hypothesis 3:** *Total Spending negatively affects the Quality of Public Accountability.*

## **2. Research methods**

### **Population and Sample**

This research uses a quantitative type of research. Population in research in agencies in the Central Java Province in 2018-2020. The sampling technique in this study is a saturated sample, which is to take all Regency and City Governments in Central Java Province as many as 35 Regencies/Cities in 2018-2020. The method used in this study is the documentation method, namely reading, studying and processing data for this study. The type of data used is secondary data in the form of Local Government Financial Statements (LKPD) sourced from BPK PPID and 2019 Regional Regulations from the Legal Documentation and Information Network (JDIH).

### **Definition of Operational Variables**

#### **a. Dependent Variables**

##### *Public Accountability (Y)*

Accountability is an umbrella term to describe how some organizations have demonstrated that they have fulfilled their mission (Guy, 1991). Public Accountability is measured using SAKIP. The Agency Performance Accountability System (SAKIP) is a set of activities designed to establish and measure, collect, categorize, summarize, and report on performance accountability and improvement of agency performance; systematic tools, and procedures (Presidential Regulation 2014, No. 29 of 2014).

#### **b. Independent Variables**

##### *Internal Control System (X1)*

Regional Supervisors are regulated in Part 2 of Government Regulation No. 60 of 2008 concerning SPIP, Internal Supervision of the Implementation of Duties and Functions of Government Agencies. The Regional Inspectorate is an internal auditor (internal auditor) within the local government. As an internal regulatory body, the existence of a regional regulatory body is considered very important. This can also be seen from its basic function, which is to supervise all activities related to the mission and functions of regional apparatus in accordance with the Regional Revenue and Expenditure Budget (APBD). Government oversight improves financial accountability by assessing and improving internal controls, risk management, and governance processes.

#### *Audit Findings (X2)*

Professional statement opinion as a conclusion of the examiner about the reasonableness of an assessment or information stated in the financial statements (Law Number 15 of 2004). Furthermore, article 16 explains that there are 4 (four) criteria that are used as the basis for the auditor in providing an opinion, namely: 1) conformity of financial statements with SAP, 2) compliance of financial governance with law and regulation, 3) adequacy of disclosures, and 4) effectiveness of the internal control system.

The findings of the audit results found by the CPC on the quality of financial statements of the performance of government agencies for violations committed by a region against the provisions of inter control as well as against the provisions of applicable laws and regulations. The more violations committed by government agencies illustrate the worse the performance of these government agencies. In other words, the higher the number of audit findings, the lower the performance of a government agency.

#### *Total Spend (x3)*

Decree No. 8/2006 states that performance is the result of activities or programs related to the use of the budget. (Bastian,2010) states that organizational performance is a picture of the level of performance or implementation of an activity, program, or policy compared to the goals, objectives, mission, and vision of budget planning. In PSAP No. 2, it is stated that regional expenditures are all expenditures derived from the general state/local treasury account which reduces the budget balance more for the period of the relevant fiscal year that has not been repaid by the government. say.

According to Law No. 32 of 2004 article. 167 paragraph 1 of the district expenditure is used to protect and improve the quality of life of the people. Expenditure on affairs must be prioritized to protect and improve the quality of life of the community in an effort to fulfill regional obligations that manifest in the form of improving basic services, education, health, social facilities and decent public facilities as well as developing a social security system (article 31 of Permendagri No.13/2006 concerning Guidelines for Regional Financial Management). Regional shopping includes direct shopping and indirect shopping.

### **Analysis Techniques**

The equation of multiple linear regression analysis in this study can be formulated as follows :

$$KSP = \alpha + \beta_1 SPI + \beta_2 THA + \beta_3 TB + e$$

Information:

KSP: SAKIP Quality

- $\alpha$  : Constants  
 $\beta$  : Regression Coefficient  
SPI : Internal Control System  
THA : Audit Findings  
TB : Total Spend  
E : *Team error*

### 3. Results and Discussion

#### 3.1. Result

##### 3.1.1 Descriptive Statistical Test Results

The data sample for this study was 105 samples. However, the data is case-by-case and there are 12 casewise data, so the total data is 93 samples.

The SPI outcome variable has a minimum value of 0.69 and a maximum value of 3.26 with a mean (mean) of 1.9622 and a standard deviation of 0.52436.

The Audit Findings variable has a minimum value of 0.00, a maximum value of 3.58, a mean (average) of 1.9600, and a standard deviation of 0.84096.

And for variabel the total cost has a minimum value of 10.96, a maximum value of 16.28, and a mean (mean) and standard deviation of 0.63514.

##### 3.1.2 Classical Assumption Test Results

Table 1.

Variabel	Hasil	Persyaratan	Keterangan
Normalitas	0,200	Sig > 0,05	Distribusi Normal
Multikolinearitas	Tolerance >0,1 dan VIF <10	Tolerance > 0,1 dan VIF <10	Bebas Multikolinearitas
Heteroskedastisitas	Sig > 0,05	Sig >0,05	Bebas Heteroskedastisitas
Autokorelasi	1,772	(4-DW) > DU	Bebas Autokorelasi

Source : Secondary Data processed,2022

*Normality test* : Based on the table above, it is known that the statistical value of the Kolmogorov-Smirnov test shows the value of Asymp. The sig (2-tailed) is 0.200 > 0.05, this indicates that the above data is normally distributed.

*Multicholinerity Test*: By looking at the results of the colinearity calculation as shown in the table above, all independent variables in the regression equation have a tolerance value of > 0.1 and a VIF of < 10. Thus it can be said that there is no significant collinearity in the regression results for the sample model as a whole (full sample) or in other words the regression model avoids the problem of multicollinearity.

*Heterodasity Test* : Based on the results of the heteroskedasticity test, it shows that the entire ariabel has a significance value above 0.05. So it can be concluded that the regression model in this study does not occur heteroskedasticity.

### 3.1.3 Hypothesis Testing Results

Hypothesis testing is used to determine the accuracy of the data of each hypothesis. Multiple regression analysis is used to determine the extent to which independent variables (internal control system results, audit results, and total expenditures) affect dependent variables (Agency Performance Accountability System). Here are the results of multiple linear regression:

**Table 2.**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	75.100	7.101		10.576	.000
	Sistem Pendalian Intern	-.130	.081	-.166	-1.603	.112
	Temuan Hasil Audit	.154	.044	.369	3.542	.001
	Total Belanja	-.890	.514	-.169	-1.730	.087

a. Dependent Variable: Kualitas SAKIP

Based on table 2 researchers can find out this study

$$\text{SAKIP} = 75,100 + (-0.130) \text{TSPI} + 0.154 \text{THA} + (-0.890) \text{TB} + e.$$

The following conclusions can be drawn:

a = The value of the resulting constant is 75,100, where the result shows a positive result so that it can be interpreted that if the variables T SPI, HA, and Total Expenditure are worth 0 then the disclosure value of the Government Agency Performance Accountability System is 75,100.

$\beta_1$ = The regression coefficient for the SPI variable is -0.130. The value of the negative regression coefficient indicates that, assuming other variables are constant, an increase in the SPI variable of one unit results in a value of -0.130 for the Agency Performance Accountability System.

$\beta_2$ = The value of the regression coefficient for the THA variable is 0.154. The value of the positive regression coefficient indicates that, assuming other variables remain constant, the agency performance accountability system increases by 0.154 for each unit of improvement of the THA variable.

$\beta_3$ = The value of the regression coefficient for the TB variable is -0.890. The value of the negative regression coefficient indicates that each TB variable has 1 unit, assuming the other variables are constant. This will result in a 0.890 decrease in the agency's performance accountability system.

e = Measurement error on the free variable used to describe or measure the bound variable.

**Table 3.**

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.408 <sup>a</sup>	.166	.138	3.10297
a. Predictors: (Constant), Total Belanja , Sistem Pendalian Intern, Temuan Hasil Audit				

Based on Table 3, it is known that the adjusted-R2 value is 0.138 or 13.8 % which means that the independent variable is 13.8 % against the dependent variable. While the remaining 86.2% has been influenced by variables from outside the model.

### **3.2. Discussion**

This study examines the analysis of the influence of variables that affect SAKIP based on the tests that have been carried out, so it can be concluded as follows:

#### ***3.2.1 Effect of SPI Findings (X1) on the Quality of Public Accountability***

The results showed that SPI had no effect on the SAKIP of the city district in Central Java, so the first hypothesis **was rejected**. Which means that SPI has no effect on the quality of public accountability. The results of this study are not in line with the theory of stewardship, because of the implications of the theory of extension stewardship in local government as an institution that can act in the public interest by performing its proper duties and functions . To be achieved through the implementation of an internal control system to create a superior government performance accountability system.

The results of this study support the research (Safitri and Darsono 2015) which presents findings in the form of Internal Control System variables that do not affect the accountability of agency performance, as well as research (Arta, et al 2022) which states that the internal control system uses the number of findings of weaknesses of the internal control system as a measurement tool. (Dewi Sari, 2020) Theless the number of findings of the Internal Control System in each province, the better the financial performance of local governments. Conversely, the greater the number of SPI findings in each province, the worse the financial performance of local governments. This study is contrary to existing theories and supports previous research, including supporting research (Alpi, 2018). Many areas of internal control have no effect. The results of this study prove to be as thoughtful as my research but not as much as the existing teori.

#### ***3.2.2 Effect of Audit Findings (X2) on the Quality of Public Accountability***

The results of the hypothesis test showed that the THA variable had a positive effect on SAKIP in Central Java by the local government. It can be seen that the sig value of 0.001 with a positive direction can be concluded that the audit findings have a positive effect on accountability with a significance value of 10%, that Ha is accepted and Ho **ditolak** which means that the audit findings have a positive effect on government performance which means that the more audit results are found, high accountability, and shows that the agency is transparent about the financial statements of performance within the agency. This is in line

with the results of research (Sayyidatun, et al 2022), (Kurnia 2020) and (Nugraha 2021) which states that audit findings have a positive effect on government performance.

In theory, decision-worthiness is in line with the results of the hypothesis. That is to provide financial information about an organization that will be used in decision making. Management's response to the implementation of accounting standards is related to the importance of disclosing accounting information describing financial performance in financial reporting. This is because the audit opinion only assesses the financial governance contained in the financial statements of local governments.

### ***3.2.3 Effect of Total Spending (X3) on the Quality of Public Accountability***

The results of the hypothesis test show that total spending negatively affects the accountability of the performance of government agencies in Central Java. It can be concluded that  $H_a$  received  $H_0$  **rejected** which means that total spending negatively affects public accountability, it can be seen that the sig value of 0.87 with a negative direction can be concluded that total spending negatively affects accountability with a significance value of 10% this is in line with the results of the study (Anggraeni, 2021) which assumes that k Financial inerrancy such as independence and growth are expected to not increase or decrease drastically requiring evaluation and attention. PAD in D.I Regencies and Cities has been seen to continue to increase every year even though the increase is also fluctuating in terms of the effectiveness ratio, but it is quite good because every year there is an increase in the rupiah figure. The results of the hypothesis agree with the research (Kusnaldi, 2005) and (Anjani, 2021).

Pemerintah area measured by the ratio of independence. This indicates that local governments have not optimized capital expenditure to increase regional independence and the proportion of capital expenditures that touch directly to the public has not received serious attention from local governments. In this study, it is contrary to the existing theory and supports previous research, total regional spending has no effect. The results of this study prove to be in line with previous studies but not in line with the existing teori.

## **4. Conclusions and Recommendations**

After analysis and discussion of the results of the research as well as testing the hypothesis as described in the previous chapter, conclusions and suggestions are made in this chapter that can be given from the results of the research that has been carried out. The following conclusions can be drawn: The findings of the Internal Control System negatively affect the performance accountability system of government agencies in Central Java (SAKIP). This means that the more findings of the Internal Control System in the financial statements, the lower the level of application of SAKIP. The audit findings have a positive effect on the performance accountability system of government agencies in Central Java (SAKIP). This means that the more findings, the worse the local government will manage financial statements and performance in each region. Total spending negatively affects the performance accountability system of government agencies in Central Java (SAKIP).

### **Limitations and Suggestions**

Some of the things that make the existence of limitations in this study are as follows: This research is limited to regencies/cities in Central Java, so the results of this study cannot be generalized to all local governments in Indonesia. The observation period of this study is limited, so it is very possible that it will give different results if the observation period is

longer. Not taking into account the existence of several Government regulations that are able to put pressure on regions to always immediately make corrections to the findings of the CPC audit, even though the pressure in the form of state financial examination laws that require regions to immediately follow up on findings a maximum of 60 days after the receipt of the audit results, has an effect on regions to further improve their accountability performance governance. This is because, any findings that are not followed up will have an impact on reducing the Transfer Fund the following year, namely the General Allocation Fund.

### **Suggestion**

There are various limitations in the implementation of this research, so the author provides the following suggestions: Further research is expected to expand the object of research by adding several regencies/cities in Central Java or in other provinces, so that research results will be obtained that can be generalized to the financial performance of local governments in Indonesia. For further research, it is hoped that it will further improve the quality of research by extending the observation period, so that it will obtain more detailed data in influencing the performance of local governments.

### **Policy implications**

Based on the conclusions in this study, the main strategy that must be carried out is that strengthening commitment is a necessity in order to increase accountability for the performance of the district and city governments of Central Java. This is because commitment is the first step and the main key in implementing SAKIP. Strengthening commitment can be carried out starting from the leadership, in this case the mayor / regent and all leaders of regional apparatus, starting to be actively involved in performance planning, performance reporting and internal evaluation which are the main variables in the implementation of SAKIP.

The second strategy is to increase the findings of the CPC audit through financial statements at the regional level, as an evaluator that the CPC should have a comprehensive understanding of its own SAKIP. However, during the evaluation, there are often differences in perceptions, both between the auditors as the evaluator himself. The step that can be taken is through the implementation of technical guidance on procedures for evaluating SAKIP on public accountability.

The third strategy is the implementation of a public accountability performance-based budget, which is expected to minimize the potential for budget inefficiency because all programs or activities will have a relationship or way to realize the goals and objectives that have been set in the regional financial statement document. Steps that can be taken to evaluate the performance achievements of regional devices on a regular basis. Evaluation is not only carried out on budget absorption, but also carried out on the achievement of the promised target performance targets. This from the evaluation is used as one of the basis for planning the next year's budget.

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