

**THE EFFECT OF REGIONAL FINANCIAL MANAGEMENT,
REGIONAL FINANCIAL ACCOUNTING SYSTEMS AND INTERNAL
CONTROL SYSTEMS GOVERNMENT ON THE REGIONAL
GOVERNMENT PERFORMACE
(CASE STUDY ON BKD IN BOYOLALI REGENCY)**

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Abstract: This study aims to determine the Effect of Regional Financial Management, Regional Financial Accounting System and Internal Control System Government on Regional Government Performance. The methodology used in this research is the quantitative. The population used is all employee of BKD Boyolali. In this study a sample of 54 employees. While for the technique of data collection is done by using questionnaires. To facilitate problem solving, this study was conducted using multiple linear regression models with the help of IBM SPSS Statistics 25. Based on the second partial test, shows that the Regional financial Accounting System variable has a significant effect on on Regional Government Performance. Based on the third partial test, shows that the Internal Control System Government variable has a significant effect on on Regional Government Performance. Based on the results of the simultaneous data test, be concluded that simultaneously or together the variables of the Effect of Regional Financial Management, Regional Financial Accounting System and Internal Control System Government is a factor that effect the Regional Government Performance.

Keywords: *Regional Financial Management, Regional Financial Accounting System and Internal Control System Government, Regional government Performance*

1. Introduction

With the effective implementation of regional autonomy, many changes have occurred in the State of Indonesia which are seen as very important and fundamental. The existence of a paradigm shift in government, from centralized (centralized) to decentralized (regional autonomy) greatly affects the dynamics of local government administration to realize good governance. (mertayani, 2015).

Currently, local governments are faced with many demands, both internally, namely increasing optimal performance and externally, namely the desire of the community so that local governments can realize the goals of a prosperous local community as an involvement in the implementation of regional autonomy that prioritizes performance accountability and improvement of public services. (Halim & Hidayat, 2015).

Therefore, it is important for local governments to pay more attention to the implementation of regional financial management and regional financial accounting systems. In addition, the government's internal control system on the performance of local

governments is also a way that can provide direction and monitor resources and has a role in preventing fraud or fraud and protecting organizational resources (Azlina & Amelia (2014).

The purpose of this study is: 1). to find out how the influence of regional financial management, regional financial accounting systems, government internal control systems on local government performance. 2). To find out how the influence of regional financial management on the performance of local governments.3). To find out how the influence of the regional financial accounting system on the performance of local governments. 4). To find out how the influence of the government's internal control system on the performance of local governments.

Literature Review

a. Regional Financial Management

Government Regulation Number 71 of 2010 also explains that what is meant by Regional Financial Management is all activities that include planning, implementation, administration of reporting, accountability and supervision of regional finances. Regional finances are managed in an orderly manner, in accordance with the law, efficient, economical, efficient, transparent and accountable with the principles of justice, compliance, and benefit for the community.

Regional governments have been given the authority to manage their own government affairs, this has been regulated in regional autonomy based on applicable laws. Regional autonomy is part of government administration in an effort to accelerate the achievement of community welfare through service improvement, regional empowerment in regional decision making.

Good governance is a form of success in carrying out the task of developing the country in accordance with the goals that have been set. On the other hand, the need for transparency and accountability in the government system has increased during this reform period, including transparency in local government financial management. Regional Governments are required to compile accountability reports using the accounting system determined by the central government in the form of Legislation that binds all Regional Governments which are a manifestation of Regional Financial Management.

Not only regional financial management, the financial accounting system also continues to change, this is with the issuance of SAP in 2010, namely the regional accounting system implemented by regional financial managers (PPKD) in regional financial management work units (SKPKD) and regional work unit accounting systems (SKPD).) is carried out by the person in charge of financial management (PPK)-SKPD.

b. Regional Financial Accounting System

According to Rasdianto (2013:6), the regional financial accounting system is an accounting system that includes the process of recording, classifying, interpreting and summarizing financial transactions or events as well as financial reports in the context of implementing the regional revenue and expenditure budget (APBD). Regional Financial Accounting System using Permendagri No. 64 of 2013. Regarding the Implementation of Accrual Accounting-Based Government Accounting Standards in Local Governments. The regional financial accounting system is a series of procedures that begin with the process of collecting, recording, classifying, and summarizing financial transactions and/or events as well as financial reports as part of the accountability for APBD implementation, which can be done manually or using a computer application. In line with the implementation of Regional Autonomy, a good regional financial management system is needed in order to manage funds

with a decentralized system that is transparent, efficient, effective and accountable to the wider community. To achieve this, smart thinking is needed through innovation in the accounting system. (Halim,2012:40)

c. Internal Control System Government

Increasing transparency and accountability in the preparation of government administration as well as improving the quality of government administration requires a government internal control system which is a government control system that must be applied to Regional Work Units (SKPD) (Sukmaningrum, 2012). According to Arens (2010), internal control is a process designed to provide reasonable assurance about the achievement of management objectives in the following categories: 1) operating effectiveness and efficiency, 2) reliability of financial reports, 3) compliance with applicable laws and regulations. The objectives of internal control will be achieved if the five elements of internal control are fulfilled and fully implemented. The five elements of internal control are: the control environment, risk assessment, control activities, information and communication, and supervision (PP No. 60 of 2008).

d. Regional Government Performance

Regional Government Performance According to Chabib (2011:3), performance is a description of the extent to which the implementation of an activity / program / policy has been achieved in achieving the goals, mission and vision of the organization as outlined in formulating the organization's strategic plan. The performance of a local government is a reflection of the success of an activity/program that has been carried out to achieve development goals which are realized in the form of results in the form of improving services to the community. The performance of the local government is not hidden from the community, but must be informed because the community as a stakeholder regarding the level of achievement of the results, is associated with the mission and vision of the organization. Through this information, the steps or corrective actions needed to determine the main activities/programs can be taken, and at the same time used as feedback as material for planning.

2. Research Method

This study uses quantitative methods. This research was conducted by distributing questionnaires as a means of collecting data so that it can be analyzed statistically. Quantitative research is useful for testing and examining the relationship between variables to make it easier to measure and analyze so that the truth can be known from the research studied. The calculation technique in the questionnaire will use a Likert scale. The Likert scale is a scale used to measure the attitudes, opinions, and perceptions of a person or persons about social phenomena. The data analysis method in this study uses the SPSS program (Statistical Product and Service Solution). This study was tested using several statistical tests, including descriptive statistical tests, test data quality and classical assumption test. This study uses quantitative data obtained from distributing questionnaires to employees of the Boyolali BKD Office. The questionnaire was conducted from April 19, 2022 to April 27, 2022. These 28 questionnaires were distributed to 54 respondents.

The operational definition of a variable is a definition that is able to give meaning and specify activities in order to measured based on their respective variables. In this study the independent variable (X) is regional financial management, the regional financial accounting system and the government's internal control system while the dependent variable (Y) Regional government Performance.

3. Results and Discussion

3.1. Results

Deskriptive Statistics

The descriptive research variable is a description of each variable, namely Regional Financial Management (X1), Regional Financial Accounting System (X2), and Internal Control System Government (X3), Regional Government Performance (Y) which were analyzed using descriptive analysis.

Table 3.1
Deskriptive Statistics
Frequencies

		Statistics			
		X1	X2	X3	Y
N	Valid	54	54	54	54
	Missing	0	0	0	0
Mean		44,59	35,96	22,28	22,78
Median		45,00	36,00	22,00	24,00
Std. Deviation		3,277	2,781	1,731	2,296
Variance		10,737	7,734	2,997	5,270
Range		10	8	5	5
Minimum		40	32	20	20
Maximum		50	40	25	25
Sum		2408	1942	1203	1230

Source: Data Processed in 2022

- The Regional Financial Management variable (X1) has a mean value of 44.59, a maximum value of 50, a minimum value of 40, a standard deviation of 3.277, and a median value of 45 so that it can be said that in general respondents agree that regional management can support Regional Government Performance.
- The Regional Financial Accounting System (X2) variable has a mean value of 35.96, a maximum value of 40, a minimum value of 32, a standard deviation value of 2.781, and a median value of 36 so that it can be said that in general respondents agree that the Regional Financial Accounting System can support Regional Government Performance
- The Government Internal Control System (X3) variable has a mean value of 22.28, a maximum value of 25, a minimum value of 20, a standard deviation of 1.731 and a median value of 22, so it can be said that in general respondents agree that the
- The Local Government Performance Variable (Y) has a mean value of 22.78, a maximum value of 25, a minimum value of 20, a standard deviation of 2.296 and a

Multiple Linear Regression Test Results

Multiple Linear Regression Equation Test Results The following are the results of multiple linear regression tests shown in Table 3.2 below:

Table 3.2
Multiple Linear Regression Test Results

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		

1	(Constant)	-2,178	2,562		-0,850	0,399
	X1	-0,224	0,138	-0,320	-1,619	0,112
	X2	0,402	0,140	0,487	2,879	0,006
	X3	0,920	0,185	0,694	4,965	0,000
a. Dependent Variable: Y						

Source: Data processed in 2022

The following are the results of the resulting regression equation:

$$Y = -2,178 + -0,224X1 + 0,402X2 + 0,92X3$$

Based on the multiple linear regression equation, it can be explained as follows:

1. The constant value (α) = -2.178 is a constant value, which means that if the variables of regional financial management, regional financial accounting systems and government internal control systems are equal to zero (0) then regional government performance decreases.
2. The regression coefficient value of regional financial management (X1) is -0.224 and is negative, meaning that for every 1 unit increase in regional financial management, it
3. The regression coefficient value of the regional financial accounting system (X2) is 0.402 with a positive sign meaning that every 1 unit increase in the regional financial
4. The regression coefficient value of the government's internal control system (X3) is 0.92, which is positive, meaning that every 1 unit increase in the government's internal

Model Feasibility Test (Statistical Test F)

Model Feasibility Test or F test is a joint test to test the significance of the effect of regional financial management variables, regional financial accounting systems and government internal control systems together on the regional government performance.

Table 3.3
Hasil Uji F

ANOVA ^a		Sum of		Mean		
Model		Squares	Df	Square	F	Sig.
1	Regression	191,477	3	63,826	36,324	,000 ^b
	Residual	87,856	50	1,757		
	Total	279,333	53			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X2, X1

Source: Data processed in 2022

In the F test, the F_{count} results are 36.324, which is greater than F_{table} , which is 3.179 with a significant level of 0.000 less than 0.05, meaning that H_0 is rejected and H_1 is accepted, meaning that the variables of regional financial management, regional financial accounting systems and local government internal control systems are jointly or simultaneously affect the regional government performance.

Individual Parameter Significance Test (Test Statistical t)

The t-test is used to determine whether the regional financial management, regional financial accounting system and government internal control have a significant effect or not on regional government performance measures.

Table 3.4
Hasil Uji t

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2,178	2,562		-0,850	0,399
	X1	0-,224	0,138	-0,320	-1,619	0,112
	X2	0,402	0,140	0,487	2,879	0,006
	X3	0,920	0,185	0,694	4,965	0,000

a. Dependent Variable: Y

Source: Data processed in 2022

1. The results of the t-test for the regional financial management variable obtained a t_{count} value of -1.619 with a significant level of 0.112. With a significance limit or p-value of 0.05 ($\alpha = 0.05$), the t_{table} is 0.67933. This means $t_{count} < t_{table}$ -1,619 < 0.67933. Or the significance value is 0.112 > 0.05, which means that H_0 is accepted and H_2 is rejected. This means that local government financial management does not affect the regional government performance.
2. The results of the t-test for the regional financial accounting system variable obtained the t_{count} value of 2.879 with a significant level of 0.006. With a significance limit or p-value of 0.05 ($\alpha = 0.05$), the t_{table} is 0.67933. This means $t_{count} > t_{table}$ 2.879 > 0.67933. or a significance value of 0.006 < 0.05, which means that H_0 is rejected and H_3 is accepted. This means that the regional financial accounting system affects the regional government performance.
3. The results of the t-test for the government's internal control system variable obtained a t_{count} value of 4.965 with a significant level of 0. With a significance limit or p-value of 0.05 ($\alpha=0.05$), the t_{table} obtained was 0.67933. This means $t_{count} > t_{table}$ 4,965 > 0.67933. Or a significance value of 0 < 0.05, which means H_0 is rejected and H_4 is accepted. It means that the local government internal control system affects the regional government performance.

Coefficient of Determination Test (Adjusted R²)

Determination test is a test used to determine the amount in percent of the effect of the independent variable as a whole on the dependent variable (Ghozali, 2005).

Table 3.5
Hasil Uji R²

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	
1	0,828 ^a	0,685	0,667	1,326	0,685	36,324	3	50	0,000	

a. Predictors: (Constant), X3, X2, X1

b. Dependent Variable: Y Source: Data processed in 2022
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From the results of the analysis of the factors that affect the performance of local governments in the table presented, it shows that the value of the coefficient of determination (R^2) is 0.667, which means that all independent variables are regional financial management (X1), regional financial accounting system (X2), control system Regional internal (X3) has a joint contribution of 66.7% to the dependent variable, namely the regional government performance (Y), while 33.3% is influenced by other factors.

3.2. Discussion

Effect of regional financial management, regional financial accounting systems and internal control systems on regional government performance.

Based on the results of this study, the F test results obtained F_{count} of 36.324 which is greater than F_{table} which is 3.179 with a significant level of 0.000 which is smaller than 0.05, meaning that H_0 is rejected and H_1 is accepted, meaning that the variables of regional financial management, regional financial accounting systems and local government internal control systems are generally accepted. together or simultaneously affect the regional government performance.

Effect of local financial management on regional government performance

Based on the results of this study, the t-test value of the regional financial management variable (X1) obtained a t_{count} value of -1.619 and a p-value of 0.112. Furthermore, t_{count} is compared with t_{table} , which is $-1.619 < 0.67933$ and p-value p-value is compared to alpha $0.112 > 0.05$. The results of the comparison show that the t_{count} value is smaller than t_{table} and the p-value is greater than alpha. Which means that statistical analysis in this study found that the second hypothesis (H_2) is that regional financial management has no significant effect on the regional government performance. Thus, the second hypothesis is rejected.

Effect of the regional financial accounting system on the regional government performance

Based on the results of this study, the t-test value of the regional financial accounting system variable (X2) obtained a t_{count} value of 2.879 and a p-value of 0.006 .. Furthermore, t_{count} is compared with t_{table} , which is $2.879 > 0.67933$ and p-value is compared to alpha $0.006 < 0,05$. The comparison results show that the t_{count} value is greater than t_{table} and the p-value is smaller than alpha. Which means that statistical analysis in this study found that the third hypothesis (H_3) is that the regional financial accounting system has a significant effect on the regional government performance. Thus the third hypothesis can be accepted.

Effect of the government's internal control system on the regional government performance

Based on the results of this study, the t-test value of the government internal control system variable (X3) obtained a t_{count} value of 4.965 and a p-value of 0. Furthermore, t_{count} was compared with t_{table} , which was $4.965 > 0.67933$. and p-value compared to alpha $0 < 0.05$. The comparison results show that the t_{count} value is greater than t_{table} and the p-value is smaller than alpha. Which means that statistical analysis in this study found that the fourth hypothesis (H_4), namely the government's internal control system has a

significant effect on the regional government performance. Thus the Fourth Hypothesis can be accepted.

4. Conclusion and Suggestion

4.1 Conclusions

- a. Based on the results of hypothesis testing of Regional Financial Management, Regional Financial Accounting System and Government Internal Control System, the calculated F value is 36.324 with a significance level of 0.000. The level of significance is smaller than 0.05. Thus, it can be interpreted that Regional Financial Management, Regional Financial Accounting System and Government Internal Control System have a significant effect on Regional Government Performance.
- b. Based on the results of the Regional Financial Management hypothesis testing, the t-count value is -1.619 with a significance level of 0.112. The level of significance is greater than 0.05. Thus, it can be interpreted that Regional Financial Management has no effect on Regional Government Performance.
- c. Based on the results of hypothesis testing of the Regional Financial Accounting System, the t-count value is 2.879 with a significance level of 0.006. The level of significance is smaller than 0.05. Thus, it can be interpreted that the regional financial accounting stem has an effect on the performance of the regional government.
- d. Based on the results of the hypothesis testing of the Government Internal Control System, the t-count value is 4.965 with a significance level of 0. The significance level is less than 0.05. Thus it can be interpreted that the Government's Internal Control System has an effect on the performance of local governments.

4.2 Suggestion

Suggestions that can be submitted by the author as a result of the research, discussion and conclusions above. The authors hope in this study can help provide more value in further research.

- a. For further research, it is necessary to carry out other data collection methods to obtain more data.
- b. For further research, it is expected to increase the number of research samples and to be able to conduct research elsewhere, so that the results will be more generalized.
- c. This study shows that the Adjusted R² of 66.7% means that there are still 33.3% of other variables that contribute to the performance of local governments.

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