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The Effect Of Budget On Financial Performance Accountability (Study On Bkad Enrekang Regency)

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Effect of Budget, Accountability and Performance

Abstract

This research will be conducted in Enrekang and located at the Regional Finance and Assets Agency (BKAD) office of Enrekang Regency, which aims to determine the effect of budget on performance accountability (study on BKAD of Enrekang Regency). Then this study uses descriptive analysis research methods and quantitative approaches, then the author uses several data collection techniques, namely Field Studies, Literature Studies and Data Analysis Techniques used in this study are: Data Quality Test, Classical Assumption Test, Simple Linear Regression Analysis, Hypothesis Testing (Partial Test (t Test)) and Coefficient of Determination Test (R2). The results of research and discussion on the effect of budgeting on performance accountability (Study on BKAD of Enrekang Regency), the authors can draw the following conclusions: Based on the results of the study, the value of t-count = 3,018. Where the results of the t distribution table obtained a t-table value of 1.688. So it can be concluded that t-count > t-table (3.018 > 1.688) in other words the budget has a significant effect on performance accountability.

1. INTRODUCTION

The budget is one of the main components in implementing a program or agenda. Before realizing a program, careful planning is needed to achieve the goals of the program. One of them is the budget. According to Septirane, (2014) , the budget is a management plan regarding the acquisition and use of company resources which is stated formally and in detail in the form of quantity and within a certain period.

Because the budget has an important position, a public sector organizational unit must record the budget and report its realization so that in the future the results obtained can be compared, and make the necessary improvement efforts as a follow-up to the budget. Not only that, the budget is also needed in managing resources properly to achieve the performance expected by the community and to create accountability to the community.

Budget reforms carried out by the government have resulted in changes in the budget structure and changes in the process of preparing the Regional Revenue and Expenditure Budget (APBD) to create transparency and increase public accountability. The form of budget reform in an effort to improve the budgeting process is the application of *performance based budgeting* .

The implementation of performance-based budgeting is regulated in the Ministry of Home Affairs Number 17 of 2006 and amended again by the Minister of Home Affairs Number 59 of 2007 concerning regional financial management guidelines. In this regulation, it is mentioned about the preparation of the Budget Work Plan of the Regional Apparatus Work Unit (RKA-SKPD). The existence of these RKA-SKPD means that the need for a performance-based budget has been fulfilled according to the *optimal* output or allocated expenditure so that at all times the expenditure is only oriented or economic, efficient , and effective.

Presidential Regulation of the Republic of Indonesia No. 29 of 2014 provides an understanding that accountability for the performance of local government agencies is a manifestation of the obligation of a government agency to account for the success or failure of implementing programs and activities that have been mandated by stakeholders in order to achieve the organization's mission in a measurable manner with performance targets/targets that have been set through The

management of regional government that is accountable is also inseparable from the regional government budget.

The government in the scope of the budget business becomes relevant and important in the local government environment. This is related to the impact of the budget on government accountability, in connection with the government's function in providing services to the public, one of the characteristics of the budget is the clarity of budget targets. In the context of local government (r enstrada) and regional development programs (p roperda) . Having a clear budget target will make it easier for individuals to set budget targets.

Enrekang Regency is one of the regional governments that has implemented regional autonomy, which is given the authority and responsibility by the central government to manage its own finances and to find out whether the regional government of Enrekang Regency has realized the Regional Revenue and Expenditure Budget (APBD) effectively and efficiently.

Based on the background of the problems described in the previous discussion, the researchers are interested in conducting research with the title "The Influence of the Budget on Financial Performance Accountability (Study on BKAD) Enrekang Regency) " .

2. LITERATURE REVIEW

2.1 Teori Overview

Accounting treatment in sharia pawnshops with conventional pawnshops certainly has differences. Government regulations and sharia provisions regulated in the National Sharia Council (DSN) must be used as a benchmark in accounting treatment on the basis of financing at sharia pawnshops. On the other hand, there are no accounting rules that specifically regulate *rahn* , but the ijarah contract in PSAK 107 regulates several reatments, namely recognition, measurement, and presentation, and disclosure is used as a companion contract. *Rahn* financing can provide information about Islamic financial statements because this financing requires an accounting framework by producing an appropriate accounting measurement.

Accounting treatment is an act aimed at or against something or a person, in other words it can be interpreted as an act or action that is imposed on something or against the person himself. The four accounting treatment processes include:

a. Recognition, an element in the financial statements which is the process of bookkeeping or the formation of an item.
b. Measurement relates to determining the amount of rupiah to be recorded for the first time in a transaction. One vers manifests about measurement is QS Al-Israa 35, as follows:

وَاَوْفُوا الْكَيْلَ اِذَا كِلْتُمْ وَزِنُوْا بِالْقِسْطَاسِ الْمُسْتَقِيْمِۗ ذٰلِكَ خَيْرٌ وَّاَحْسَنُ تَأْوِيْلًا

Meaning:

"And complete the measure when you measure, and weigh with the right scales. That is more important (for you) and better as a result."

c. Presentation, stages in making financial statements, and
d. Disclosure, disclosure of financial information about the company in the financial statements (Lika, 2018).
e. Understanding Pawn

Pawn in Arabic is called *rahn* which is a *masdar form* of the words *Rahana, Yarhanu* , and *Rahn* an which means eternal, stays, occupies, while the meaning of *rahn* is to hold onto an item with rights so that it can be used as payment for the item. interpreted as holding one of the *deceased (* goods *)* belonging to the *rahin* (borrower) as collateral for the debt/loan he received, the item has an economic estimate (Nursaman, 2020). The concept of pawn comes from the translation of the word *pand* (Dutch) *promise* or *pawn* (English) (Salim, 2007). In the Civil Code Chapter XX Book II of the Civil Code Articles 1150 to Pas1160 there are provisions regarding pawning. Based on Article 1150 of

the Civil Code, a pawn is a right obtained on a movable object, which is handed over to *rahin* (the debtor) or another person on his behalf, in order to be able to save the pawned item.

3. RESEARCH METHODS

research method is quantitative analysis is an analysis of data obtained from a list of statements that have been processed into numbers and discussed through statistical calculations. This calculation uses SPSS (*Statistical Product and Service Solution*) version 22.0 for Windows, which is a computer application for analyzing statistical data. Quantitative analysis through several stages of testing, namely:

3.1 Data Quality Test

To test the quality of the data on this primary data, the researchers used validity and reliability tests.

a. Validity test

Validity test is used to measure whether or not a questionnaire is valid. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire. The study tested the level of validity by conducting a bivariate test between each indicator with a total construct score. It is said to be valid if rcount > rtable, to measure whether the instrument is valid or not by comparing the results of the correlation calculation with the value of r at the 5% confidence rate. If r arithmetic > r table then it is declared valid and suitable to be used to retrieve data (Nengsy 2017) .

b. Reliability Test

Reliability test is a tool used to measure a questionnaire which is an indicator of a variable or construct. A questionnaire can be said to be reliable if a person's answer to a question is consistent from time to time. Reliability tests are used completely free of errors to produce consistent results even though they are tested many times. If the result of Cronback Alpha is above 0.60, then the data is reliable (Isnanto, Suharno, and Bambang 2017) .

3.2 Classic assumption test

a. Normality test

The normality test aims to measure whether in the regression model the dependent variable and the independent variable both have a normal distribution or are close to normal. A good regression model is to have a normal distribution or close to normal. In this study, the normality test used the One-sample Kolmogorov-Smirnov. A variable is said to be normal if it has a significant value > 0.05 (Setiawan 2017) .

b. Multicollinearity Test

Multicollinearity test is to see whether or not there is a high correlation between independent variables in a multiple linear regression model. If there is a high correlation between the independent variables, then the relationship between the independent variable and the dependent variable will be disturbed. The multicollinearity test is seen from the tolerance value and VIF (Variance Inflantion Factor) as well as the amount of correlation between independent variables. A regression model is said to be multi-cost free if it has a VIF value of less than 10 and has a tolerance number of more than 0.10 (Setiawan 2017) .

c. Heteroscedasticity Test

The heteroscedasticity test is to see whether there is an inequality of variance from one residual to another observation. If the variance from one observation to another observation remains, it is called homoscedasticity and if it is different it is called heteroscedasticity. A good regression model is the one with homoscedasticity and there is no heteroscedasticity. To detect the presence or absence of heteroscedasticity, one way to detect it is to look at the scatterplot graph between the value of the dependent variable and the residual (SETIAWAN 2013) :

1) If there is a certain pattern, such as the existing dots forming a certain regular

pattern (wavy, widening, then narrowing), then heteroscedasticity occurs.

2) If there is no clear pattern, such as the dots spread above and below the number 0 on the Y axis, then there is no heteroscedasticity.

3.3 Simple Linear Regression Analysis

In this study, simple linear regression analysis was used to prove how much the relationship between the clarity of budget targets and the implementation of public sector accounting had an effect on performance accountability. Simple regression analysis is used to predict how the condition (up and down) of the dependent variable is. This analysis is used to involve the dependent variable (Y) and the independent variable (X), the regression equation is as follows:

Y = a + b1 X1 + e

Where:

Y = Performance Accountability
a = Constant
b 1 = Regression coefficient of the independent variable
X1 = Budget
e = *error term*

3.4 Hypothesis testing

Before testing the hypothesis, it is necessary to test the model first. This research data processing using simple regression with the help of SPSS (Statistical Product Service Regression), then testing the research hypothesis. The first, second, and third hypothesis testing was done by partially testing the variables (t test). To find out how much the independent variable can explain the dependent variable, it can be explained by using the determinant coefficient (R^2). The two tests will be explained as follows:

a. Partial Test (t Test)

This test is to find out whether all the independent variables are partially significant effect on the dependent variable. Therefore, it is necessary to test the t-test statistics. The test was carried out in two directions (two tails) with a 95% confidence level and a significant level test of the influence of the independent variable on the dependent variable was carried out. The significance level is determined at 5% and the degree of freedom (df) = nk, if tcount > ttable then Ha is accepted and Ho is rejected, meaning that the independent variable individually has a significant influence on the dependent variable, and vice versa if tcount < ttable then Ho is accepted and Ha rejected (Setiawan 2013) .

b. Coefficient of Determination Test (R^2)

The coefficient of determination test aims to measure how much influence the budget has on performance accountability . The value of the coefficient of determination is seen from the value of R square. A value close to 1 means that the independent variables rovide almost all the information needed to predict the variation of the independent variable (Ghozali, 2014 in (Nengsy 2017) .**Analysis Method** According to Miles and Huberman in Gunawan, Imam (2013) data anal

4. RESULTS AND DISCUSSION

Based on the results of the study, the value of t-count = 3.018. Based on the t distribution table, the t-table value is 1.688. So it can be concluded that t-count > t-table (3.018 > 1.688) in other words the budget has an effect on positive to performance accountability. The results of this study are in line with research conducted by (Abdillah, Salim, and Purnomo 2019) with the title "The Influence of Budgets on Accountability of Financial Performance of Government Agencies at the Tourism and Culture Office of Lumajang Regency", the results of this study indicate that Tourism and culture are greatly affected by the existing budget and in accordance with the goals and targets of the program to be planned and implemented. Research conducted by (Wibisono and Riharjo 2017) shows that the better the performance-based budget implementation, the better the budget implementation will be. This is because in the budget preparation process that is

actually planned with a performance -oriented orientation , the level of budget implementation will be neatly scheduled, making it easier for the Regional Government to monitor, evaluate, and report information on the progress of the program being held.

In the current era of regional autonomy, the government has made important and fundamental changes that are intended to correct various existing weaknesses and shortcomings as well as efforts to accommodate various demands and aspirations that are developing in the region and society. This has consequences for the regions in the form of accountability for the allocation of their own budget in an effective, economical and efficient manner. Effective budget allocation means that every expenditure made by the government leads to the achievement of strategic goals and objectives contained in regional strategic planning documents. Meanwhile, efficient budget allocation means that the achievement of these strategic goals and objectives has used the least amount of resources while maintaining the planned level of quality.

The budget functions as an instrument of public accountability for the management of public funds, most of which are financed by public funds. Budget preparation aims to improve the efficiency of resource allocation and the effectiveness of its use in accordance with the planning set by the regional government. With the performance-based budget, it is hoped that the budget can be controlled and used optimally to improve the welfare of the community and support increasing public sector accountability (Nurrizcky, 2017). Thus, the relationship between performance-based budgeting and accountability of government agency performance can be seen in Bastian's statement (2006: 54) that efforts to create performance-based budget management are expected to be able to meet various demands and needs of the community, namely the formation of the spirit of decentralization, democratization, transparency and accountability. in the process of administering the government in general and the process of financial management within the scope of the Regional Finance and Assets Agency (BKAD) of Enrekang Regency.

Based on the results of the questionnaire, it can also be explained that the employees of the Regional Finance and Assets Agency (BKAD) of Enrekang Regency have clearly understood that performance accountability is implemented, according to its definition, performance accountability is the embodiment of the

obligation of a government agency to account for the success/failure of implementing the organization's mission in achieve the goals and targets that have been set through periodic accountability tools. How the budget must be accounted for to the wider community and every year must be accounted for in a timely manner. The budget that has been designed and determined in accordance with its realization is for the public interest. Budget programs are designed by considering the principles of effectiveness and efficiency that the government's budget will produce maximum output and right on target.

Based on the results of the questionnaire, it can also be explained that the employees of the Regional Finance and Assets Agency (BKAD) of Enrekang Regency have clearly known what and how the budget was used. Understand what must be done in preparing the budget, knowing the budget targets for each program implemented. In addition , the leadership and staff are responsible for the results of the entire program / activity that has been done to carry out their duties and authorities. In addition, the factor that hinders the growth of the Laccori BUMDes is the village community who takes loans. People do not understand the importance of the existence of BUMDes, so they underestimate Laccori BUMDes and don't think too much about repaying their loans,

which results in a large number of bad credit arrears so that financial turnover is constrainedtransaction have reached an agreement and the transaction must be recorded in an official report and there are witnesses in the transaction process. The function of the gold pawn item (m *arhun*) is to maintain trust between *rahin* and *murtahin* , so that *the murtahin* believes that *rahin* will repay the loan (*marhun bih*) by pawning it. the *deceased* owned by not neglecting the agreed time period for repaying the de.

5. CLOSING

5.1 CONCLUSION

Based on the results of research and discussion on the effect of budgeting on financial performance accountability (Study on BKAD of Enrekang Regency), the authors can draw the following conclusions: Based on the results of the study, the value of t-count = 3.018. Where the results of the t distribution table obtained a t-table value of 1.688. So it can be concluded that t-count > t-table (3.018 > 1.688) in other words the budget has a significant effect on performance accountability.

Employees of the Regional Finance and Assets Agency (BKAD) of Enrekang Regency , have clearly known what and how the budget was used. Understand what must be done in preparing the budget, knowing the budget targets for each program implemented. In addition, the leadership and staff are responsible for the results of all programs / activities that have been carried out.

BKAD) of Enrekang Regency, have clearly understood the implementation of performance accountability, how the budget must be accounted for to the wider community, and every year it must be accounted for in a timely manner. The budget that has been designed and determined in accordance with its realization is for the public interest. Budget programs are designed by considering the principles of effectiveness and efficiency that the government's budget will produce maximum output and right on target.

5.2 Suggestion

Based on the suggestions for data analysis, discussion and conclusions, it can be concluded that several suggestions are expected to be useful for practical purposes and further research as follows:

For the Regional Finance and Assets Agency (BKAD) of Enrekang Regency so that the benefits of the budget become more optimal, it is recommended to continue to increase the intensity of its implementation. Although the respondent's answer category is already very good, it is better for the Regional Finance and Assets Agency (BKAD) of Enrekang Regency pay more attention to the achievement of targets for programs and activities that become references

Then for performance accountability, it is necessary to consider making alternative programs in order to support the achievement of the organization's vision, mission, and goals. In this way the Regional Finance and Assets Agency (BKAD) of Enrekang Regency will be able to produce optimal performance in achieving targets in realizing its vision and mission. Future researchers can add other variables to find out other factors that influence the budget on performance accountability at the Regional Financial and Asset Agency (BKAD) of Enrekang Regency.

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