



THE EFFECT OF ACCOUNTABILITY, TRANSPARENCY AND SUPERVISION ON THE PERFORMANCE OF THE VALUE FOR MONEY BUDGET

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Abstract

It is important to study the implementation of accountability, transparency and oversight in the performance of budgets with a value for money concept in government organizations. The purpose of this study is to examine the effect of accountability, transparency, and oversight on budget performance with a value for money concept. This study used a quantitative approach with the subject of analysis being employees of the finance sector at the Public Works and Public Housing Agency, Kab. Mojokerto, which has 67 employees. The data analysis technique uses SPSS 26. This study shows that transparency has a significant effect on the performance of the budget with a value for money concept, while accountability and oversight have no significant effect on the performance of the budget with a value for money concept

Keywords: Accountability, transparency, supervision, budget performance, value for money.

INTRODUCTION

Public organizations are non-profit organizations whose job is to provide public services that are not aimed at making a profit. In carrying out their duties, public organizations make planning activities and budget planning for the realization of a goal. Public sector organizations are in the spotlight of the community because they play a role in realizing public services. Public sector organizations must always uphold transparency and public accountability in the face of an increasingly critical and informed society. The high public awareness of the implementation of public administration makes public institutions want to serve as much society as possible, but this ambition is often hindered by the resources they have. Therefore, it is important to have budgeting for public sector organizations.

Based on Law Number 17 of 2003 concerning State Finance and Law no. 1 of 2004 concerning the State Treasury, the government stipulates the use of work performance or performance-based budgeting approaches in the budget preparation process. Performance-based budgeting is a method of preparing a budget that is oriented towards the performance or work achievements to be achieved. According to (Polii et al., 2020), "Financial performance is a financial indicator that can be assessed from the results of accountability for implementing the regional revenue and expenditure budget to determine the level of achievement of targets for regional government financial activities." Performance can be used as an illustration of how programs and policies to manage the goals, objectives, vision and goals of the company have been successfully implemented.

Performance-based budgeting considers the relationship between financing (input), output (output), and desired results (outcome) to provide information about the effectiveness and efficiency of the implementation of each activity. Value for Money is an idea for evaluating and assessing the performance of public sector organizations that consider non-financial factors as well as financial

factors to determine the level of success of public sector work programs. "Value for Money is based on three main factors: economy, efficiency and effectiveness" (Polii et al., 2020).

Good government governance is inseparable from public accountability. Accountability is the embodiment of the obligation of a government agency to be accountable for the achievement/failure of the goals and objectives set by the organization through periodic accountability tools (Febrianti et al. 2021). Implementation of accountability relates to the need for transparency and information disclosure to the public in the context of enforcing public rights related to budgeting. Transparency is a form of government openness in providing information related to public resource management activities to the public. The achievement of good governance cannot be separated from supervision in the preparation and implementation of the budget. To help achieve the desired results in accordance with the established performance measures, there must be good internal and external oversight in managing the budget. Based on the background of these problems, this research was conducted to determine and analyze the effect of accountability, transparency and oversight on value for money-based budget performance.

Stewardship Theory

"Stewardship theory describes management as motivated for the main goal, namely organizational interests, not personal interests" (Jannah, 2016). Stewardship Theory makes the assumption that organizational satisfaction and success are strongly correlated. The implication of stewardship theory for this research is that it can explain why local governments exist as institutions that can be trusted to accommodate people's aspirations, can provide quality public services, and are able to make financial accountability entrusted to them, so that economic goals are achieved and people's prosperity can be maximized.

Agency Theory

The main purpose of agency theory is to describe the pattern of interaction between the agent and the principal. "This relationship between society and the government is called the agency relationship; Specifically, it is a relationship resulting from a contract made by the community (principal) with the government (agent) in order to employ the government to provide services in accordance with the interests of the community" (Jensen & Meckling, 1976 on Karim R, 2019)). As a form of people's oversight of government performance in order to harmonize common goals, the government is obliged to report the use of resources through periodic financial reports. So that the people represented by the legislature can assess, supervise, and measure government performance.

Accountability

Accountability is the obligation to carry out procedures for managing potential resources entrusted to an organization in a consistent manner to achieve goals. It is the obligation of the party holding the trust (government) to provide accountability, present, report and disclose all activities and

activities which are their responsibility to the party giving the trust (community) who has the right and authority to demand this accountability.

Transperency

The principle of transparency (openness) is one of the techniques to realize government accountability to the people. Transparency literally means clarity and can be interpreted as openness. Transparency can be understood as being transparent in how an activity is carried out. Transparency is a form of government openness in providing information related to public resource management activities to the public.

Supervision

The Law No. 32 of 2014 defines supervision of regional government implementation as a series of actions taken to guarantee that local government functions in accordance with plans and requirements of relevant laws and regulations. By putting controls in place, you can boost productivity, stop asset loss, improve the accuracy of the data used in financial reporting, and encourage adherence to established legal and regulatory standards.

Budget Performance with Value For Money Concept

Budget performance with a value for money concept is a budgeting system that emphasizes efforts to achieve work products or results from planned costs or input allocations (Arifani et al., 2018). Value For Money is an idea for evaluating and assessing the performance of public sector organizations that consider non-financial factors as well as financial factors to determine the level of success of public sector work programs. Value for money is a term used to describe how economical, effective and efficient a program, activity or group performance is. Value for Money is based on three main factors, namely: economy, efficiency, and effectiveness. Value for Money can be achieved if the company uses the lowest input costs to produce the highest level of output to meet its objectives.

METHOD

This type of research is quantitative research with causal associative methods. "Quantitative research is research based on the philosophy of positivism which is used to examine certain populations or samples, data collection uses research instruments, data analysis is quantitative statistics, with the aim of testing predetermined hypotheses" (Sugiyono, 2022). The causal associative method describes and tests the theory of a causal relationship in which there are independent (affecting) and dependent (influenced) variables.

This study's goal is to determine how accountability, transparency, and oversight affect budget performance with a focus on value for money. Employees of PUPR Kab. Mojokerto served as the

study's subjects. 207 employees made up the study's sample. Purposive sampling with the criterion was the method utilized to select the sample for this investigation. of the Head of DPUPR Kab. Mojokerto as Budget User (PA); Kasubag Finance or Head of Finance Sub-Section DPUPR Kab. Mojokerto; Treasurer of the DPUPR Kab. Mojokerto; Financial Administration Officer (PPK) DPUPR Kab. Mojokerto; DPUPR DPUPR Activity Technical Implementation Officer (PPTK) Kab. Mojokerto so that 67 samples were obtained.

The type of data used and analyzed in this study is primary data using a questionnaire technique. The weight of the assessment or the number of questionnaire results in this study is in accordance with that described in the Likert scale. This Likert scale uses five rating points, namely (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, (5) Strongly Agree. This study uses application/software in analyzing data, namely IBM Statistical Product and Service Solution (SPSS). The data that has been collected is then analyzed by data quality test, multiple linear regression test and classical assumption test.

RESULTS AND DISCUSSION

Validity Analysis

Table 1 Validity Analysis

Variable	Indicator	Correlation Coefficient Value	Limit	Information
Accountability	X1.1	0,709	> 0,30	Valid
	X1.2	0,554		Valid
	X1.3	0,786		Valid
	X1.4	0,592		Valid
	X1.5	0,786		Valid
Transparency	Y.1	0,610	> 0,30	Valid
	Y.2	0,631		Valid
	Y.3	0,628		Valid
	Y.4	0,662		Valid
	Y.5	0,750		Valid
	Y.6	0,521		Valid
Supervision	X1.1	0,787	> 0,30	Valid
	X1.2	0,655		Valid
	X1.3	0,657		Valid
	X1.4	0,576		Valid
	X1.5	0,717		Valid
Variable	Indicator	Correlation Coefficient Value	Limit	Information
Budgeting Performance	Y.1	0,683	> 0,30	Valid
	Y.2	0,634		Valid
	Y.3	0,709		Valid
	Y.4	0,722		Valid
	Y.5	0,543		Valid
	Y.6	0,586		Valid

Source: Author Processed Data 2023

Based on the table above it can be said that all of the question items are valid because the correlation coefficient value of each question item is more than 0.30. Thus, the question items from all variables consisting of accountability, transparency, oversight, and budget performance variables are able to measure the variables contained in this study. Thus, all of these items can be said to meet the data validity requirements.

Reliability Analysis

Table 2 Reliability Analysis

Variable	Alpha Cronbach	Information
Accountability	0,728	Reliabel
Transperency	0,706	Reliabel
Supervision	0,705	Reliabel
Budgeting Perfomance	0,724	Reliabel

Source: Author Processed Data 2023

Based on the table above, it can be said that all variables consisting of accountability, transparency, supervision are reliable because the Cronbach's Alpha value for each variable is more than 0.7. Accountability is 0.728, Transparency is 0.706, Oversight is 0.705, and Budget Performance is 0.724. So from these results, all variables in this study can be said to have good reliability.

Multiple Linear Regression Analysis

Table 3 Multiple Linear Regression Analysis

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,196	1,525		2,519	0,014
	Accountability	0,099	0,068	-0,176	1,137	0,260
	Transperency	0,693	0,067	-0,306	-1,965	0,054
	Supervision	0,017	0,065	-0,092	-0,716	0,477

Source: Author Processed Data 2023

The equation formula of the multiple linear regression analysis test results is:

$$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$$

The regression equation formed is:

$$\text{Budget Performance (Y)} = 5.196 + 0.099 \text{ accountability (X1)} + 0.693 \text{ transparency (X2)} + 0.017 \text{ supervision (X3)} + e$$

From the regression equation, it can be concluded that:

- a. A constant of 5.196 indicates that all independent variables which include rotation of accountability, transparency, supervision increase by 5.196.

- b. The accountability regression coefficient of 0.099 states that for every one percent increase in accountability, profitability will increase by 0.099.
- c. The transparency regression coefficient of 0.693 states that for every one percent increase in transparency, profitability will increase by 0.693.

Analysis of the coefficient of determination

Table 4 Analysis of the coefficient of determination

Model	R	R Square	Adjust R Square	Std. Error of the Estimate
1	0,730 ^a	0,532	0,510	1,67675

Source: Author Processed Data 2023

Based on the table above, it can be said that all independent variables consisting of accountability, transparency, and oversight are able to explain budget performance with a value for money concept of 0,510.

Analysis of F

Table 5 Analysis of F

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	201,532	3	67,177	23,894	.000 ^b
	Residual	177,125	63	2,812		
	Total	378,657	66			

Source: Author Processed Data 2023

Based on the table above, it can be said that all independent variables consisting of accountability, transparency, and oversight together have a significant effect on budget performance with a value for money concept due to a significance value of ≤ 0.05 , which is equal to 0.000.

Analysis of T

Table 6 Analysis of T

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,196	2,629		1,976	0,053
	Accountability	0,099	0,117	0,094	0,850	0,399
	Transparency	0,693	0,116	0,663	5,979	0,000
	Supervision	0,017	0,093	0,017	0,187	0,852

Source: Author Processed Data 2023

Based on table 6, it can be seen that the significance of accountability is 0.399, transparency is .0000, and supervision is 0.852. So, testing the hypothesis by testing in this study concluded that:

H₁: Accountability affects profitability.

Based on the results of table 6 it can be seen that the significance value of accountability is ≥ 0.05 which is equal to 0.399 and the value of the coefficient B is positive. This means that H₀ is accepted

and H_1 is rejected. This states that accountability has no significant positive effect on budget performance.

H₂: Transparency has an effect on profitability.

Based on the results of table 6, it can be seen that the significance value of transparency is ≤ 0.05 , which is equal to 0.000 and the value of the coefficient B is positive. This means that H_0 is rejected and H_2 is accepted. This states that transparency has a significant positive effect on budget performance.

H₃: Supervision has an effect on profitability.

Based on the results of table 6, it can be seen that the significance value of cash turnover is ≥ 0.05 , which is 0.852 and the coefficient B is positive. This means that H_0 is accepted and H_3 is rejected. This suggests that supervision has no positive effect on budget performance.

The Effect of Accountability on Budget Performance with the Value For Money Concept

The first hypothesis (H_1) is disproved based on the findings of the testing of the hypothesis in Table 6, which demonstrate that accountability has no impact on budget performance with the Value For Money Concept. This essentially indicates that accountability has no bearing on budget performance. Accountability is a way for the government to be held responsible for managing resources and informing the public of all actions involving the use of public resources. Because the stewards have not fulfilled their obligations or goals to be accountable to the principal, this research does not follow the stewardship theory's guiding principles. The results of this study are in line with previous research conducted by (Hakiki, 2022) stated that accountability had no effect on budget performance with a value for money concept.

Based on agency theory, this research is also not in line with the principles of the theory. According to agency theory, there is a relationship between the agent and the principal with a specific purpose, namely that the government is obliged to inform and be accountable to the public about its activities. However, in this study the PUPR Office has not been able to report and account for all its activities to the public. In other words, providing timely information about decisions or programs to an entity does not affect the performance of the budget to be used effectively, efficiently and economically. The results of this study are in line with previous research conducted by (Arifani et al., 2018) states that budget performance based on value for money is not guaranteed by accountability. As accountability increases, the quality of budget management performance also increases.

The Effect of Transparency on Budget Performance with the Value For Money Concept

The second hypothesis (H_2) is accepted in light of the findings from the testing of the hypothesis in Table 6, which demonstrate how transparency influences budget performance with the idea of value

for money. This implies that transparency has an impact on budget performance. Providing the public with information about the management of public resources is a kind of transparency in governance. Because the stewards have carried out their responsibilities and objectives to be responsible by operating in a transparent manner toward the principal, this research is in keeping with the stewardship theory's basic tenets. The results of this study are in line with previous research conducted by (Saraswati, 2022) with his research entitled *Accountability and Transparency on Budget Performance with the Value For Money Concept: Organizational Commitment as a Moderating Variable* says that transparency has a positive effect on budget performance.

In the implementation of transparency, the Public Works and Housing Agency will put up a project nameplate that includes the name of the activity, source of funds, purpose of each activity. This is in accordance with the agency theory, namely the government must provide information openly to the public and public sector stakeholders. Information concerning the public interest must be available to those who need it, so transparency is based on the freedom of the public to obtain information as needed. It can be assumed that when the public knows the performance of an institution, public trust in the institution can develop. This research is in line with previous research conducted by (Moerrin, 2022) concerning the *Influence of the Principles of Accountability and Transparency on Employee Performance* states that the more successful an activity aims to achieve the expected results of an organizational unit in realizing predetermined strategic goals, the better the principle guaranteeing the freedom of everyone to access or receive information about governance.

The Effect of Oversight on Budget Performance with the Value For Money Concept

The third hypothesis (H_3) is disproved based on the findings of testing the hypothesis in table 6, which demonstrate that supervision has no impact on budget performance using the Value For Money Concept. This indicates that the effectiveness of the budget has no bearing on supervision. Determining performance metrics and putting strategies into place to help achieve the desired outcomes in line with the planned performance constitute supervision. The goal of supervision is to keep an eye on what actually occurs and contrast it with what ought to have occurred. Because the stewards did not fulfill their obligations or achieve their objectives to carry out supervisory actions during budget preparation, this research does not conform to the stewardship idea. The PUPR Service was unable to conduct monitoring in this study to guarantee that all tasks were done without any deviations that would cause the process of accomplishing goals to be delayed. The results of this study are in line with previous research conducted by (Rigian et al., 2019) entitled *Effects of Accountability, Transparency, and Participation on Value For Money-Based Budget Performance* explains that supervision has no effect on budget performance with the concept of value for money.

CONCLUSION

Based on the research that has been conducted in testing and analyzing the effect of accountability, transparency, and oversight on budget performance with a value for money concept at the Public Works and Public Housing Agency, Kab. Mojokerto. This study used a sampling technique in the form of purposive sampling, so as to obtain a sample that meets predetermined criteria. This study also used multiple linear regression analysis using SPSS version 26. The conclusions that can be drawn from this study are described as follows:

1. The accountability has no effect on the budget performance.
2. The transparency has a effect on the budget performance.
3. The monitoring has no effect on the budget performance.

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