**Effect of the Application of Performance-Based Budgeting and Application of Government Accounting Standards for Financial Accountability of Government Work Unit at Cimahi, Indonesia**

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This study aims to determine the effect of the application of performance based on budgeting and application of accounting standars to financial accountability of government work unit in Cimahi, Indonesia. This research is conducted due to audit result from the The Supreme Audit Board (BPK) toward the financial statement of local government at Cimahi, Indonesia which shows unoptimal result. Report from BPK showed that only some financial statement received unqualified opinion. This indicate that financial management of local goverment was still need to be corrected. Using data from a survey of chief government work unit in Cimahi, Indonesia, this research shows that partially, the implementation and of performance based on budgeting generates positive effect to financial accountability of local government work unit in Cimahi, Indonesia. Furthermore, the application of accounting standars also shows positive effect toward financial accountability of The Regional Work Force Local Government Cimahi. Thus, simultaneosly, the implementation of performance-based budgeting and the application of accounting standars give positive effect to financial accountability of the Regional Work Force Local Government Cimahi, Indonesia.

Keywords : Performance Budgeting, Government Accounting Standar , financial accountability

1. **INTRODUCTION**

 **I.1 BACKGROUND**

The Supreme Audit Board (BPK) as the Boards having the authority to audit the financial management of the country annually publishes the results of its audit report in the form of audit opinion. The result of the audit opinion is a description of the performance of financial management managed by a central government or local government and is a manifestation of an accountability. Based on data from BPK from 93 Municipal Government in Indonesia have been audited its financial statements. Here are audit opinions for the last 5 years starting from 2011 to 2015.

Tabel 1 BPK Audit Opinion for 93 Municipal Governments in Indonesia

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Opini BPK |  2011 | 2012 | 2013 | 2014 | 2015 |
| Unqualified Opinion (WTP) | 23% | 33% | 38% | 60% | 65% |
| Qualified Opinion (WDP) | 67% | 59% | 59% | 40% | 33% |
| Adverse Opinion (TW) | 8% | 8% | 3% | - | 2% |
| Dsclaimer Opinion (TMP) | 2% | - | - | - | - |

Source : BPK RI

 Based on these data, the Municipal Government Financial Statement which received Unqualified Opinion opinion from 2015 until 2015 has increased its trend, but not all Municipal governments have unqualified opinion. This happens because the presentation of accounts that exist in the financial statements are not in accordance with Government Accounting Standards (SAP).

 For opinion data of BPK to Cimahi Municipal Government Financial Statement from 2011 to 2015 is presented in table 2 below.

Table 2. Opinion Audit BPK Cimahi Municipal Government

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Tahun | 2011 | 2012 | 2013 | 2014 | 2015 |
| Opini | Qualified Opinion (WDP) | Qualified Opinion (WDP) | Unqualified Opinion (WTP) | Unqualified Opinion (WTP) | Unqualified Opinion (WTP) |

Source : BPK RI

Based on the data for 2011 to 2012 the financial statements of Cimahi Municipal Government get Qualified Opinion (WDP) opinion, then from 2013 until 2015 get opinion of Unqualified Opinion (WTP). Thus based on these data the trend of opinion acquisition for the Cimahi Municipal Government is Unqualified Opinion (WTP).

 Based on the findings of the BPK audit conducted in 2016 relating to general government budgeting in general the results of programs, goals, targets, strategies and performance indicators in local government work plans have not been fully consistent with the Medium Term Development Plan. In addition, the findings are inconsistent between priority programs and the Local Government Work Plan.

 Based on the phenomenon that has been described previously, the authors are interested to conduct research in the Municipal Government Cimahi with the title "Effects of the Application of Performance-Based Budgeting and Application of Government Accounting Standard for Financial Accountability.

* 1. **Research Problem**

 To clarify the direction of this research it is deemed necessary to formulate the problem. The subject matter that will be examined based on background research and title are as follows:

1. How is the implementation of performance-based budgeting in the Municipal Government Cimahi

2. How the application of Government Accounting Standards in the Municipal Government Cimahi

3. How is financial Accountability in the Municipal Government Cimahi

4. Does the implementation of performance-based budgeting affect the financial accountability in the Municipal Government Cimahi.

5. Does the application of government accounting standards affect the financial accountability in the Municipal Government Cimahi

6. Does the implementation of performance-based budgeting and application of government accounting standards simultaneously affects the financial accountability in the Municipal Government Cimahi.

1.3 **Reseacrh Method**

Method This research uses descriptive explanatory approach that is describe facts empirical facts then explain the relationship between variables and test the hypothesis. The unit of analysis in this study is City Device Unit of Cimahi City Government. In relation to data formation, this research data is arranged in the form of cross-sectional (among City Device Unit of Cimahi City Government ).

The measurement technique used to transform the qualitative data from the questionnaire into a quantitative data is Summated Rating Method: The Likert Scale, which is an ordinal scale measurement. Scores for the assessment of variables are calculated with 5 point scale. Provided for positive statements the 'always' option is given a value of 5, 'often' given a value of 4, 'sometimes' given a value of 3, 'ever' given a value of 2, never given a value of 1. As for negative statements given value Vice versa.

Each research variable is categorized into four (4) categories of quality, is low, less, sufficient, and high. Categorization is done by reviewing the position of total score of variables within minimum limits, quartiles I, median, quartile III, and maximum, which can be achieved (Harun Al Rashid, 1994). The categorization is as follows:

Minimum <total score <quartile 1: Poor

Quartile I <Median <total: Pair

Median <total score <quartile III: Good

Quartile III <total score <maximum: Excellent

Where:

Minimal = minimum score that can be achieved

Maximum = maximum score that can be reached

Median = (minimum + maximum): 2

Quartile 1 = (minimum + median): 2

To analyze the relationship between variables used by using path analysis.

**Research Hypothesis:**

Implementation of Performance-Based Budget and Application of Government Accounting Standards affect Partial and Simultaneous to financial Accountability.

**II Literatur Review**

**2.1 Definition of Budget Based on Performance and Implementation**

 The definition of performance-based budget by Kelly & Rivenbark (2008: 4) is as follows:Performance budgeting is a budget preparation and adoption process that emphasizes performance management, allowing allocation decision to be made in part on the efficiency and effectiveness of servise delivery. According to Yunita & Hendra (2010: 100) the definition of performance-based budgeting is a method of budgeting for management to link any costs set forth in activities with the resulting benefits. These benefits are described in a set of goals and objectives set forth in the performance targets of each work unit. According to Mardiasmo (2010: 84) is a performance-based budget is a budget that emphasizes the concept of value for money and supervision of output performance. From the definition of performance-based budget that has been described can be concluded that the performance-based budget is the decision of allocation of funds that pay attention to the results of the decision allocation of funds is accompanied by indicators to measure its performance. Therefore, with the use of performance budget will be clear for reward and punishment for those who run the budget.

According to Kelly & Rivenberk (2008: 124) to implement a performance-based budget required planning and performance measurement that includes:

“1. *Establish link between mission, goals, objectives, and performance measures*

* 1. *Distinguish between service delivery goals and strategic goals.*
	2. *Establish a mix of output, outcome, and efficiency measures*
	3. *Collect Background information to ensure data accuracy”.*

**2.2 Implementation of Government Accounting Standards**

Government Accounting Standards (SAP) is the implementation of Law Number 17 Year 2003 on State Finance article 32 paragraph (2) stating that governmental accounting standards are prepared by an independent standard committee and stipulated by Government regulations (PP) after first obtaining consideration from the Supreme Audit Board (BPK). Government Accounting Standards are the legal basis for central and local government apparatuses in managing the acceptance and use of funds in a transparent, efficient, and accountable manner so that the objectives of achieving transparency and accountability can be achieved. The application of governmental accounting standards is required in the framework of preparation of accountability report of APBN / APBD implementation in the form of financial report consisting of budget realization report (LRA), Balance Changes of Budget Report (SAL Change Report), balance sheet, Operational Report (LO) ¸ Statement of Cash Flow ), Statement of Changes in Equity (LPE), and Notes to Financial Statements (CaLK).

According to the Government Regulation No. 71 of 2010 in the Statement of Government Accounting Standards (PSAP) on Conceptual Framework it is said that Government Accounting Standards is to regulate the presentation of general purpose financial statements in order to improve the comparability of financial reports to the budget , Between periods, and between entities. General purpose financial statements are financial statements aimed at meeting the common needs of most report users. To achieve these objectives, this standard sets out all considerations in the context of presenting the financial statements, the guidelines for the structure of the financial statements, and the minimum requirements for the contents of the financial statements. In the Government Regulation, it is stipulated that the presentation of central and regional government financial reports must meet the qualitative characteristics of financial statements which include: Relevant, Reliable, Comparable, Understandable.

**3.1 Financial Accountability**

Accountability is one of the key elements of the realization of good governance which is currently being pursued in Indonesia. The government is required to report on the results of the programs that have been implemented so that people can assess whether the government has worked economically, efficiently and effectively.In governmental administration, government accountability can not be known without the government notifying the people of information regarding the collection of resources and sources of public funds and their use.

Mahmudi (2010: 10) argues that one of public accountability is financial accountability which requires public institutions to produce financial statements to describe the financial performance of the organization to outsiders. Local governments implement the mandate of the community in the form of local financial management is required to be transparent and accountable in charge. Transparency of information, especially financial and fiscal information, should be done in a relevant and easily understood form (Schiavo-Campo and Tamosi, 1999). One of the important accountabilities associated with local financial management is financial accountability.

According to Team BPK and LAN (2007) Financial accountability is the responsibility of public institutions to use public funds (public money) economically, efficiently and effectively, no waste and leakage of funds, and corruption. Financial accountability is very important because it becomes the main focus of society. This accountability requires public institutions to make financial statements to describe the organization's financial performance to outsiders.

Financial accountability is related to the avoidance of misuse of public funds (Mardiasmo, 2010; 21). According to the BPK and LAN Team (2007) Stages of Financial Accountability, starting from the formulation of financial plans (budgeting process), implementation and financing of activities, evaluation of financial performance, and reporting. In other words, accountability is contained in the obligation of presenting and reporting the management of regional finances into local financial statements. The financial statements are one of the tools to facilitate the creation of public transparency and accountability. Local government financial reports are presented comprehensively (Mardiasmo, 2010: 36).

**III RESULT AND DISCUSSION**

**3.1 Application of Performance Based Budgeting in SKPD Cimahi City**

 **Government**

 The following table presents and describes the responses of respondents who became research samples related to the Application of Performance Based Budget in SKPD in Cimahi City Government from each of these indicators.

**Table 3**

**Performance-based budget implementation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No | Question |  | Total | Score |
| 1 | 2 | 3 | 4 | 5 |
| **Planning** |
| 1 | The budget is made by observing the vision of the mission of the work unit | 0 | 0 | 6 | 10 | 38 | 54 | 248 |
| 2 | Budgets are made with reliable information | 0 | 0 | 12 | 38 | 4 | 54 | 208 |
| 3 | A budget is created with valid information | 0 | 0 | 12 | 35 | 7 | 54 | 211 |
| 4 | Budgets are made with comparable informati | 0 | 0 | 7 | 35 | 12 | 54 | 221 |
| 5 | Budgets are based on policy | 0 | 0 | 0 | 10 | 44 | 54 | 260 |
| 6 | There is an implementation of budget goals | 0 | 0 | 0 | 12 | 42 | 54 | 258 |
| 7 | There is a budget goal set | 0 | 0 | 3 | 24 | 27 | 54 | 240 |
| **Total** | 0 | 0 | 40 | 164 | 174 | 378 | 1646 |
| **Percentage (in%)** | 0.0% | 0.0% | 10.6% | 43.4% | 46.0% | 100.0% |  |
| **Implementation** |
| 1 | The existence of input measurement | 0 | 0 | 0 | 17 | 37 | 54 | 253 |
| 2 | The existence of output measurement | 0 | 0 | 3 | 30 | 21 | 54 | 234 |
| 3 | The existence of outcome | 0 | 0 | 13 | 30 | 11 | 54 | 214 |
| 4 | The existence of benefit | 0 | 0 | 17 | 33 | 4 | 54 | 203 |
| 5 | The existence of impact | 0 | 0 | 19 | 35 | 0 | 54 | 197 |
| **Total** | 0 | 0 | 52 | 145 | 73 | 270 | 1101 |
| **Percentage (in%)** | 0.0% | 0.0% | 19.3% | 53.7% | 27.0% | 100.0% |  |
| **Reporting** |
| 1 | The existence of data collection system for each work size | 0 | 0 | 15 | 34 | 5 | 54 | 206 |
| 2 | The existence of data collection system for each work size | 0 | 0 | 0 | 18 | 36 | 54 | 252 |
| 3 | The existence of accurate data | 0 | 0 | 16 | 38 | 0 | 54 | 200 |
| 4 | The existence of the appointment of the part responsible for the data collection | 0 | 0 | 15 | 34 | 5 | 54 | 206 |
| **Total** | 0 | 0 | 46 | 124 | 46 | 216 | 864 |
| **Percentage (in%)** | 0.0% | 0.0% | 21.3% | 57.4% | 21.3% | 100.0% |  |
| **Monitoring** |
| 1 | Improved budget objectives | 0 | 0 | 11 | 32 | 11 | 54 | 216 |
| 2 | Improved performance measures | 0 | 0 | 12 | 37 | 5 | 54 | 209 |
| 3 | Improved data collection procedures | 0 | 0 | 16 | 38 | 0 | 54 | 200 |
| **Total** | 0 | 0 | 39 | 107 | 16 | 162 | 625 |
| **Percentage (in%)** | 0.0% | 0.0% | 24.1% | 66.0% | 9.9% | 100.0% |  |
| Total | 4236 |

The results of the answers given by the respondents are further explained by dividing the score of responses into the classification / grouping of the range distribution. In this study, the authors divide into four quartile ranges. Performance-based budgeting is measured by 19 items. The results of the answers given by the respondents are further explained by dividing the score of responses into the classification / grouping of the range distribution. In this study, the authors divide into four quartile ranges. Performance-based budgeting is measured by 19 items.

Based on the research data obtained from 54 respondents who became the source of research data, for 19 items as a measure of Performance-based budgeting implementation, the value of quartile I, Quartile II and 'quartile III can be determined by the following calculation:

* Minimun Score = 1 × 19 ×54 = 1026
* Maksimum Score = 5 × 19 ×54 = 5130
* Quartile II= (Median) = [1026+ 5130] : 2 = 3078
* Quartile I [1026 + 3078] : 2 = 2860
* Quartile III = [3078+ 5130] : 2 = 4104

Furthermore scores on the assessment of variables are classified by

* Excellent : Quartile III < X < Maximum Score
* Good : Median < X < Quartil III
* Fair : Quartil I < X < Median
* Poor : Skor Minimal < X < Quartil I

 From the score of the items obtained total score of 4,236, Based on the value of quartile I, quartile II and quartile III obtained, the responses of respondents are classified in the range of scores as follows.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Min1026 | Poor | Q12052 | Pair | Q23078 | Good | Q34104 | Excellent | Max5130 |

 |-------------------|----------------------|---------------------|---------------------|--------------------|

 4.236

 4236

 Figure 1. Performance-Based Budget Implementation

Overall look Performance-based budgeting is in the Excellent category. From the results of the responses of respondents on each dimension Application of performance-based budget looks largely to provide an assessment on score 4 and score 5. Assessment of Implementation of performance-based budget that has been done well.

**3.2 Application of governmental accounting standards in SKPD Cimahi City Government**

 Below are presented tables and descriptions that illustrate the responses of respondents who become research samples related to the implementation of government accounting standards in SKPD in Cimahi City Government from each of these indicators.

**Table 4**

**Implementation of government accounting standards**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No | Question | Answer Score Distribution | Total | Score |
| 1 | 2 | 3 | 4 | 5 |
| **Relevant** |
| 1 | Have the benefit of feedback | 0 | 0 | 4 | 14 | 36 | 54 | 248 |
| 2 | Has a predictive benefit | 0 | 0 | 2 | 37 | 15 | 54 | 229 |
| 3 | On time | 0 | 0 | 15 | 29 | 10 | 54 | 211 |
| 4 | Complete | 0 | 0 | 15 | 32 | 7 | 54 | 208 |
| **Total** | 0 | 0 | 36 | 112 | 68 | 216 | 896 |
| **Percentage (in%)** | 0.0% | 0.0% | 16.7% | 51.9% | 31.5% | 100.0% |   |
| **Reliable** |
| 1 | Honest presentation | 0 | 0 | 17 | 30 | 7 | 54 | 206 |
| 2 | Can be verified | 0 | 0 | 25 | 29 | 0 | 54 | 191 |
| 3 | Neutrality | 0 | 0 | 14 | 38 | 2 | 54 | 204 |
| **Total** | 0 | 0 | 56 | 97 | 9 | 162 | 601 |
| **Percentage (in%)** | 0.0% | 0.0% | 34.6% | 59.9% | 5.6% | 100.0% |   |
| **Comparable** |
| 1 | Can be compared with the previous period financial report | 0 | 0 | 9 | 16 | 29 | 54 | 236 |
| 2 | Can be compared with the financial statements of other reporting entities in general | 0 | 0 | 15 | 37 | 2 | 54 | 203 |
| **Total** | 0 | 0 | 24 | 53 | 31 | 108 | 439 |
| **Percentage (in%)** | 0.0% | 0.0% | 22.2% | 49.1% | 28.7% | 100.0% |   |
| **Understandable** |
| 1 | The financial statements can be understood by the user | 0 | 0 | 8 | 42 | 4 | 54 | 212 |
| 2 | Information is expressed in terms and terms that are matched to the limits of user understanding | 0 | 0 | 10 | 30 | 14 | 54 | 220 |
| **Total** | 0 | 0 | 18 | 72 | 18 | 108 | 432 |
| **Percentage (in%)** | 0.0% | 0.0% | 16.7% | 66.7% | 16.7% | 100.0% |   |
| Total | 2.368 |

The results of the answers given by the respondents are further explained by dividing the score of responses into the classification / grouping of the range distribution. In this study, the authors divide into four quartile ranges. The implementation of government accounting standards is measured by 11 items of statements. Based on the research data obtained from 54 respondents who become the source of research data, for 11 items as a measure of application of government accounting standards, quartile I, quartile II and quartile III can be determined by the following calculation:

* Minimum Score = 1 × 11 ×54 = 594
* Maximum Score = 5 × 11 ×54 = 2970
* Quartile II (Median) = [594+ 2970] : 2 = 1782
* Quartile I = [594 + 1782] : 2 = 1188
* Quartile III = [1782+ 2970] : 2 = 2376

Furthermore scores on the assessment of variables are classified by

* Excellent : Quartile III < X < Maximum Score
* Good : Median < X < Quartile III
* Fair : Quartile I < X < Median
* Poor : Minimal Score < X < Kuartil I

 From the score of the items obtained a total score of 2,368, Based on the value of quartile I, quartile II and quartile III obtained, the responses of respondents are classified in the range of scores as follows.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Min594 | Poor | Q11188 | Fair | Q21782 | Good | Q32376 | Excellent | Max2970 |

 |-------------------|----------------------|---------------------|--------------------|-------------------|

 2.368

 2368

Figure 2. Application of Government Accounting Standards

Overall look The application of government accounting standards is in good category. From the results of the responses of respondents on each dimension Application of government accounting standards seen most provide an assessment on score 4 and score 5. Assessment of the implementation of government accounting standards implemented is good.

**3.3 Financial Accountability in SKPD Cimahi City Government**

 The following table presents and describes the responses of respondents who become research samples related to the financial accountability in SKPD in Cimahi City Local Government from each of these indicators.

Table 5 Financial Accountability

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No | Question | Answer Score Distribution | Total | Score |
| 1 | 2 | 3 | 4 | 5 |
| **Arrangement** |
| 1 | Submission of budget in accordance with the principles of budgeting and regulations that apply | 0 | 0 | 4 | 23 | 27 | 54 | 239 |
| 2 | The integrated budgeting approach is done by integrating the entire budgeting process | 0 | 0 | 0 | 19 | 35 | 54 | 251 |
| 3 | The budget submission has been accompanied by the completeness of the document | 0 | 0 | 9 | 32 | 13 | 54 | 220 |
| **Total** | 0 | 0 | 13 | 74 | 75 | 162 | 710 |
| **Percentage (in%)** | 0.0% | 0.0% | 8.0% | 45.7% | 46.3% | 100.0% |   |
| **Implementation and financing activities** |
| 1 | Implementation of regional spending is based on efficient, efficient efficient principles | 0 | 0 | 9 | 31 | 14 | 54 | 221 |
| 2 | There is a clear source of financing | 0 | 0 | 17 | 30 | 7 | 54 | 206 |
| **Total** | 0 | 0 | 26 | 61 | 21 | 108 | 427 |
| **Percentage (in%)** | 0.0% | 0.0% | 24.1% | 56.5% | 19.4% | 100.0% |   |
| **Evaluate the financial performance** |
| 1 | Fairness of calculation of financial performance achievement | 0 | 0 | 22 | 31 | 1 | 54 | 195 |
| 2 | Evaluate the achievement of performance performed using predefined standards | 0 | 0 | 18 | 35 | 1 | 54 | 199 |
| **Total** | 0 | 0 | 40 | 66 | 2 | 108 | 394 |
| **Percentage (in%)** | 0.0% | 0.0% | 37.0% | 61.1% | 1.9% | 100.0% |   |
| **Implementation of Financial Reporting** |
| 1 | Implementation of accounting | 0 | 0 | 15 | 19 | 20 | 54 | 221 |
| 2 | The financial statements shall be submitted to the regions through PPKD no later than 2 months after the fiscal year ends | 0 | 0 | 20 | 34 | 0 | 54 | 196 |
| 3 | The financial statements are prepared based on government accounting standards | 0 | 0 | 5 | 30 | 19 | 54 | 230 |
| 4 | The existence of financial statement analysis | 0 | 0 | 25 | 6 | 23 | 54 | 214 |
| **Total** | 0 | 0 | 65 | 89 | 62 | 216 | 861 |
| **Percentage (in%)** | 0.0% | 0.0% | 30.1% | 41.2% | 28.7% | 100.0% |   |
| Total | 2392 |

 The results of the answers given by the respondents are further explained by dividing the score of responses into the classification / grouping of the range distribution. In this study, the authors divide into four quartile ranges. Financial accountability is measured by 11 items of statement. Based on the research data obtained from 54 respondents who become the source of research data, for 11 items as financial accountability measure, the value of quartile I, Quartile II and 'quartile III can be determined by the following calculation:

* Minimun Score = 1 × 11 ×54 = 594
* Maximum Score = 5 × 11 ×54 = 2970
* Quartile II (Median) = [594+ 2970] : 2 = 1782
* Quartile I = [594 + 1782] : 2 = 1188
* Quartile III = [1782+ 2970] : 2 = 2376

Furthermore scores on the assessment of variables are classified by

* Excellent : Quartile III < X < Maximal Score
* Good : Median < X < Quartil III
* Fair : Quartile I < X < Median
* Poor : Minimal Score < X < Quartile I

From the score of the items obtained a total score of 2392. Based on the value of quartile I, quartile II and quartile III obtained, the responses of respondents are classified in the range of scores as follows.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Min594 | Poor | Q11188 | Fair | Q21782 | Good | Q32376 | Excellent | Max2970 |

 |-------------------|----------------------|---------------------|---------------------|---------------------|

 2.392

 

 2392

Figure 3. Financial Accountability Score Interval in SKPD Cimahi

Overall financial accountability is in the excellent category. From the results of the responses of respondents on each dimension of financial Accountability seen most of the assessment of the score 4 and score 5. Assessment of financial accountability is done well.

* 1. **Influence Performance-based budgeting and Application of government accounting standards on the financial accountability SKPD in Cimahi City Government**

To reveal the influence of Performance-based budgeting and Application of government accounting standards to the SKPD's financial accountability in Cimahi City Government conducted hypothesis testing using path analysis.

* + 1. **Path Coefficient Calculation**

In this study the variables of Performance-based budgeting and Application of government accounting standards as causal variables (exogenous variables) and Financial Accountability SKPD as a variable result (endogenus variable). The first step in the calculation is to know the amount of correlation between variables. The results of correlation calculations between variables studied can be seen in the following table:

**Table 6**

**Correlations Between Variables**

|  | SKPD financial accountability (Y) | Performance-based budget implementation (X1) | Implementation of government accounting standards (X2) |
| --- | --- | --- | --- |
| SKPD financial accountability (Y) | 1,000 | 0,756 | 0,730 |
| Performance-based budget  implementation (X1) | 0,756 | 1,000 | 0,543 |
| Implementation of government  accounting standards (X2) | 0,730 | 0,543 | 1,000 |

From the calculation results obtained correlation coefficient between Performance-based budgeting implementation with Financial Accountability SKPD = 0.756, this means there is a strong relationship between Performance-based budget implementation with Financial Accountability SKPD If interpreted strong correlation Performance-based budget applying with SKPD's financial accountability is tight because it ranges from 0.60 to 0.80, and its positive direction means that if the implementation of performance-based budget increases then the financial accountability of SKPD will be higher. Coefficient correlation between Application of government accounting standards with Financial Accountability SKPD = 0.730, this means there is a strong relationship between the implementation of government accounting standards with Financial Accountability SKPD. If interpreted the strength of correlation Application of government accounting standards with SKPD financial accountability is closely because it ranges from 0.60 to 0.80, and the direction of this positive means that if the application of government accounting standards increases then Financial Accountability SKPD will be higher. The correlation coefficient between Performance-based budget implementation and Application of government accounting standard = 0,543, this means there is a close relationship between Performance-based budget implementation with Application of government accounting standards. If interpreted strong correlation Performance-based budgeting applying Accounting government standard is moderate because it ranges from 0.40 to 0.60, and its positive direction means if Performance-based budgeting improves then Financial Accountability will be higher.

The coefficient value of the path obtained based on the correlation between variables. From result of calculation using SPSS obtained coefficient of path Application of performance based budget and Application of accountancy standard of government to Accountancy finance SKPD as follows:

**Table 7**

**Result of Coefficient of Path X to Y**

|  |
| --- |
|  |
| Model | Unstandardized Coefficients | Standardized Coefficients | t | Sig. | Correlations |
| B | Std. Error | Beta | Zero-order | Partial | Part |
| 1 | (Constant) | -14.724 | 6.759 |  | -2.178 | .046 |  |  |  |
| Performance-based budget implementation (X1) | .405 | .130 | .509 | 3.109 | .007 | .756 | .626 | .428 |
| Implementation of government accounting standards (X2) | .812 | .293 | .454 | 2.772 | .014 | .730 | .582 | .381 |
| a. Dependent Variable: Financial Accountability SKPD (Y) |

Obtained path coefficient from Application of performance-based budget to Accountability of finance SKPD (PYX1) equal to 0,509 and path coefficient from Application of government accountancy standard to Accountability of finance SKPD (PYX2) equal to 0,454.

After the path coefficient is obtained, then the influence of together Applying the performance-based budget and Application of government accounting standards on Financial Accountability SKPD can be calculated from the multiplication of coefficient path with the correlation between the variables with the cause variables.

**Table 8**

**Results of Coefficient of Determination (Total effect) X on Y**

|  |
| --- |
| **Model Summary** |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .846a | .716 | .678 | 3.16824 |
| a. Predictors: (Constant), Implementation of government accounting standards (X2), Performance-based budget (X1) |

 The calculation results show the coefficient of determination (influence simultaneously) Application of performance-based budgeting and Application of government accounting standards on Financial Accountability SKPD obtained by 0.716.

In addition to the influence of Performance-based budgeting and the application of government accounting standards to SKPD's financial accountability, there is a probability of influencing other variables (residues). The path coefficient for other factors not included in the specification is

 = 0,533

The path coefficient for other factors not included in the specification is 0.533.

The path coefficient equation that is formed in explaining the influence of Performance-based budgeting and Application of government accounting standards on the financial accountability of SKPD is stated as follows:

Y = 0,509 X1 + 0,454 X2 + 0,533

**3.4.2 Hypothesis Testing Influence Performance-based budget applying and Application of government accounting standards on Financial Accountability SKPD**

 Hypothesis testing is done in two stages of simultaneous testing to determine the significance of the effect together with performance-based budgeting and Application of government accounting standards to SKPD financial accountability and partial testing to determine the significance of each exogenous variable influence Performance-based budgeting and Application of standards Accounting governance of the SKPD's Financial Accountability.

1. **Testing the Influence of Performance-based budgeting implementation and Application of government accounting standards collectively to Financial Accountability SKPD**

To test the effect of simultaneous testing is done with Test F. Statistical hypothesis tested is :

1. Ho: Pyx1 = Pyx2 = 0

Implementation of government accounting standards and Application of government accounting standards have no effect on the financial accountability SKPD simultaneously.

1. H1: Pyxi ≠ 0

Implementation of government accounting standards and Application of government accounting standards affect the financial accountability SKPD simultaneously.

Testing the hypothesis is done through F test statistic. Determination of test result (acceptance or rejection of H0) can be done by comparing Fth with Ftable with the condition reject H0 if Fhitung is greater than Ftable. The results of the test statistic to test the overall effect are:

Table 9

Results Statistics test to test the overall effect

|  |
| --- |
| **ANOVAa** |
| Model | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 379.895 | 2 | 189.947 | 18.923 | .000b |
| Residual | 150.566 | 15 | 10.038 |  |  |
| Total | 530.461 | 17 |  |  |  |
| a. Dependent Variable: SKPD financial accountability (Y) |
| b. Predictors: (Constant), Implementation of government accounting standards (X2), Performance-based budget implementation (X1) |

Obtained value Fcount = 18,923. From table obtained value of F table for degrees free (db1) = number of exogenous variables = 2 and degrees of freedom (db2) = n-k-1 = 18-2-1 = 15 of F [0.05: 2: 15] = 3,682.

Since the value Fcount = 18.923> Ftable = 3.682 then the test decision is the null hypothesis rejected. Test results can be concluded that the implementation of performance-based budgeting and Application of government accounting standards together affect the financial accountability SKPD.

1. **Partial influence test**

To see the significance of the effect of X partially to the variable effect (Y), then tested partial hypothesis with t test.

The test statistic used is t test. To the limit stated significant test on the partial test based on the t-student distribution table for α = 5% And degrees of freedom (18-2-1) obtained values (t0,05/2, 15) = 2,131. The result of comparison between t arithmetic with t table for partial test can be seen in the following table:

# Table 10

# Partial Effect Hypothesis Test

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Hypothesis | Coefficient Path | T count | t table | ConclusionStatistics |
| 1 | The implementation of performance-based budget affects the financial accountability of SKPD | 0,509 | 3,109  | 2,131 | Significant (H0 rejected) |
| 2 | The implementation of government accounting standards has an effect on the financial accountability of SKPD | 0,454 | 2,772 | 2,131 | Significant (H0 rejected) |

Source: Primary data that have been processed

The result of statistical hypothesis test can be described as follows

**1. Influence Application of Performance-based budgeting on the financial accountability of SKPD**

 To see the significance of the influence of Performance-based budgeting on Financial Accountability SKPD partially tested partial hypothesis with t test. The tested statistical hypothesis is :

|  |  |
| --- | --- |
| H0 : PYX1 = 0 | Implementation of performance-based budget has no effect on the financial accountability of SKPD |
| H1 : PYX1 ≠ 0 | The implementation of performance-based budget affects the financial accountability of SKPD |

Obtained t test statistic for X1 (titung Application of performance-based budget) of 3.109. Furthermore the value is compared with the t-table value. The result of comparison of t-count obtained with table value is tcount bigger than positive value ttable (3,109> 2,131).

The test results based on the sample data that is declared reject H0 or in other words receive H1. So it can be concluded the test results obtained is the Application of performance-based budget affects the financial accountability SKPD.

1. **Influence Application of government accounting standards on the financial accountability of SKPD**

 To see the significance of the influence of the application of government accounting standards to SKPD financial accountability partially tested partial hypothesis with t test. The tested statistical hypothesis is :

|  |  |
| --- | --- |
| H0 : ρYX2 = 0 | The implementation of government accounting standards has an effect on the financial accountability of SKPD |
| H1 : ρYX2 ≠ 0 | The implementation of government accounting standards has an effect on the financial accountability of SKPD |

Obtained t test statistic for X2 (t-account Application of government accounting standards) of 2.772. Furthermore the value is compared with the t-table value. The result of thitung comparison obtained with table value is t-count bigger than positive value t-table (2,772> 2,131).

The test results based on the sample data that is declared reject H0 or in other words receive H1. So it can be concluded the test results obtained is the application of government accounting standards affect the financial accountability SKPD.

**The amount of Influence of Research Variables**

**1. Effect of Performance-based budgeting on the financial accountability of SKPD**

Direct and indirect influence of the Performance-based budgeting application on Financial Accountability of SKPD is as follows:

The direct influence of X1 on Y

= Pyx1 x Pyx1 = 0,509 x 0,509 = 0,258 (25,8%)

The indirect effect of X1 on Y through X2

= Pyx1. rx1.x2 . Pyx2 = 0,509 x 0,543 x 0,454 = 0,126 (12,6%)

From the above calculation results obtained direct influence Performance-based budget implementation to Performance of 25.8%.

The amount of indirect influence Performance-based budgeting applied to Financial Accountability SKPD because there is a relationship (relationship) with Application of government accounting standards provide additional influence of 12.6%.

The total effect of Performance-based budgeting on Financial Accountability was obtained by 25.8% + 12.6% = 38.4%.

1. **Pengaruh Penerapan standar akuntansi pemerintahan Terhadap Akuntabilitas keuangan SKPD**

The magnitude of direct and indirect influence of the application of government accounting standards to the financial accountability of SKPD are as follows:

The direct effect of X2 on Y

= Pyx2x Pyx2 = 0,454 x 0,454 = 0,206 (20,6%)

The indirect effect of X2 on Y through X1

= Pyx2. rx1.x2. Pyx1 = 0,454 x 0,543 x 0,509 = 0,126 (12,6%)

Total influence The application of government accounting standards to Financial Accountability was obtained at 20.6% + 12.6% = 33.2%.

Table 11

The effect of X1 and X2 on Y

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Variabel | Coefficient Path  | Influence Directly |  | Indirect influence (through) | Total |
|  | X1 |  | X2 |  |  |
| X1 | 0,509 | 25,8% |  |  |  | 12,6% |  | 38,4% |
| X2 | 0,454 | 20,6% |  | 12,6% |  |  |  | 33,2% |
| Total Influence (R2) | 71,6% |
| Influence of other factors (ε) | 28,4% |

The result shows that there is influence of Performance Based Budgeting to Accountancy of SKPD finance equal to 38,4% and influence Application of government accountancy standard to Accountancy of SKPD finance equal to 33,2%.

**Conclusion**

From the results of research on the influence of performance-based budgeting applications and government accounting standards on the financial accountability of the regional apparatus work unit shows:

1. Implementation of performance-based budget in SKPD Municipality of Cimahi is good.

2. Implementation of government accounting standards in SKPD Municipality of Cimahi is good.

3. Financial accountability in SKPD Municipaly of Cimahi is good.

4. Partially the implementation of performance-based budget affects postively to the financial accountability of the regional apparatus work unit. The magnitude of this effect is 38.4%, thus the effect of performance-based budgeting on the financial accountability of the device work unit is low.

5. Partially, the variable of government accounting standard has a positive effect on the application of financial accountability of regional apparatus unit. The magnitude of this effect is 33.2%, thus the effect of applying the government accounting standard partially is low.

6. Simultaneously, performance-based budget applying variables and government accounting standards have a positive effect on financial accountability of the regional apparatus unit. The magnitude of this effect is 71.6%, thus the effect of performance budgeting based on performance and government accounting standards together have a high influence.

**Suggestion**

For the next researcher, it is suggested that in subsequent research can expand the population and sample and add other variables that may influence the application of good governance principles.

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