The Implementation of Accountability, Transparency and Internal Control on Budget Performance at the Working Unit of KPPN Bandung II

[1] **Laila Fitriani** [2] **Silviana**
[1,2] *Master of Accounting, Widyatama University, Indonesia*
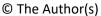[1]Lailashijab@gmail.com, [2]silviana.msi@widyatama.ac.id

ARTICLE INFORMATION	ABSTRACT

This research aims to investigate how Accountability, Transparency, and internal control affect budget performance in the KPPN Bandung II working unit. This research uses the concept of value for money. The population of this study consists of 187 work units at KPPN Bandung II, and 147 work units from this population were taken as samples. Sampling was conducted using the purposive sampling method. The primary data collection method uses a questionnaire. The analysis method used multiple linear regression analysis. The results of this study indicate that transparency does not affect budget performance based on the concept of value for money in the KPPN Bandung II Work Units. This is evidenced by the absence of an official website containing budget disclosures to the public from each Work Unit. Conversely, accountability and internal control significantly positively impact budget performance with the concept of value for money in the KPPN Bandung II Work Units. Lack of transparency hinders effective public oversight. Therefore, it is necessary to improve the reporting system, increase access to budget information, and strengthen monitoring mechanisms. It is recommended to improve the quality of transparency, as well as developing organizational capacity and transparency literacy to support more efficient and effective budget performance.

A. INTRODUCTION

Law Number 28 of (2022) concerning the State Budget (APBN) for the 2023 Fiscal Year states that the APBN is a fair and responsible state financial management system that aims to improve public welfare. To ensure that public sector institutions provide optimal services and welfare, one of the main principles in implementing the budget is to assess efficiency, effectiveness, and economy. These three main principles are parameters of the value-for-money concept. To help the government achieve good governance, value for money must be applied in state financial management (Bastian, 2015).

The concept of Value For Money (VFM) comes from the view that the public sector is considered a place of waste, inefficiency, and leakage of funds and organizations that often experience losses. Therefore, public sector organizations must pay more attention to value for money when operating. To assess government performance, do not only look at the output of activities, but also look at the input, output, and outcome (Mardiasmo, 2018).

Government performance is closely related to agency theory and modern governance theory. Jensen and Meckling (1976) created agency theory as a basis for an explanation of financial information which emphasizes the contractual relationship between principals (fund owners/public) and agents (managers/government). In the context of budget management, the four research variables, namely Accountability, Transparency, Internal Control, and Budget Performance play an important role in reducing agency conflicts and the risk of moral hazard. In addition, these variables answer current challenges and issues in public financial governance, such as public demands for transparency, the need for budget efficiency, and efforts to strengthen accountability. Therefore, every government institution always strives to achieve good governance (Maranjaya, 2022), by implementing accountability and transparency over budget implementation, namely assessing Budget Implementation Performance Indicators (IKPA).

According to the Regulation of the Director General of Treasury Number Per-5/Pb/2024 concerning Technical Instructions for the Assessment of Performance Indicators for the Implementation of the Ministry of State/Institution Budget, the target for budget absorption up to the second quarter (June) for goods spending is 50%. Based on the data on the Realization of Work Unit Spending per Type of Spending contained in the Online Monitoring System of the State Budget Treasury (OM SPAN) application, which helps users monitor transactions for the absorption of the Work Unit budget, there has been a Gap between the value of the Budget Implementation Performance Indicator (IKPA) and the amount of budget realization which tends to be smaller in specific periods. This indicates a lack of efficiency and effectiveness in budget implementation, as shown in Table 1.

Table 1. Performance of Work Unit of Goods Procurement

No.	Working Unit	Target per June	Real June'24	Gap	Real June'23	Gap
1	A	50%	32,81%	17,19%	35,38%	14,62%
2	B	50%	31,66%	18,34%	31,66%	18,34%
3	C	50%	30,56%	19,44%	31,51%	18,49%
4	D	50%	29,05%	20,95%	29,63%	20,37%
5	E	50%	28,47%	21,53%	34,50%	15,50%

Source: Results of data processing from the OM SPAN application (2024)

The table above shows that there is a striking difference between IKPA and budget realization, which tends to be smaller than the target. For example, the average realization of goods spending as of June 2024 is between 30% and 35%, far below the target of 50% as measured via the OM SPAN application. This gap reflects significant challenges in Satker budget management, including weak implementation of transparency principles as a whole. This budget performance measurement aims to help management be more optimal in implementing work programs and activities to increase the effectiveness and efficiency of public services provided. A program activity is considered effective if it significantly influences the ability to provide services to the community per previously set goals (Silviana, & Melisa, 2014).

The public expects that public sector organizations will make economical use of and allocate resources by using the concept of value for money. In addition, implementation is expected to be more efficient with optimal results. Efficiency is also expected in achieving the targets and objectives that have been set (Shara et al., 2020).

To fulfill the principles of good state financial management and support the realization of good governance in state administration, state financial management, also known as budget management, must have Accountability and Transparency (KNKG, 2022). Law Number 30 of 2002 concerning the Corruption Eradication Commission explains that Accountability is a principle that states that all activities and final results of government implementation must be accountable to the public. This principle involves the responsibility to report Performance and use of resources to the public and stakeholders.

This research was conducted because there are still pros and cons from the results of previous studies where research conducted by Ninik Puspita Sari (2020), by Shabilla Az-zahra Davananda (2023),by Marselina Saina Setia (2019) and by Lamtiur Lidia Gultom (2023) concluded that

Accountability, Transparency, and Control have a positive and significant effect on Budget Performance with the concept of value for money. Meanwhile, research conducted by Barokah Sitta Dewi and Paulus Theodorus Basuki Hadiprajitno (2023) stated that Transparency does not affect Budget Performance with the concept of value for money; research by Pingki Veronika and Nugraeni (2023) stated that Accountability does not affect Budget Performance with the concept of value for money; research by Dewi Ratih (2023) showed that Accountability and Control do not have a significant effect on Budget Performance.

Based on the problem phenomena that have been described above and on the findings of previous studies, some of which have inconsistent results, namely the effect of Accountability on budget performance with the concept of value for money, the effect of Transparency on budget performance with the concept of value for money, and the effect of internal control on budget performance with the concept of value for money, then the measurement of budget performance also needs to be carried out at the Work Units (Satker) located at the State Treasury Service Office (KPPN) Bandung II. The novelty of this study is analyzing the impact of the implementation of Accountability, Transparency, and internal control on budget performance with the concept of value for money at the Satkers located at KPPN Bandung II.

According to the Regulation of the Minister of Finance of the Republic of Indonesia Number 22 of 2021 concerning Measurement and Evaluation of Budget Performance for the Implementation of the Work Plan and Budget of Ministries/Institutions (2021), Performance is work achievement, consisting of output from activities or programs and results of programs with measured quantity and quality. The use of the Ministry/Institution budget stated in the budget document is called Budget Performance. This budget Performance assessment analysis is very important for making financial management decisions and for measuring the success of the Ministries and Institutions of the Republic of Indonesia, especially measuring the Budget Performance of the Work Unit at KPPN Bandung II with the concept of value for money. Value for Money is high when there is an optimal balance between the three elements, when costs are relatively low, productivity is high, and successful results have been achieved (Trimarstuti 2019). The value for money indicator is divided into two parts, namely (1) cost allocation indicators (economy and efficiency), and (2) service quality indicators (effectiveness) (Mardiasmo, 2018).

Agreed Performance Standards for information on Public Sector Performance and reporting of information, including Budget Performance, are needed to determine the public bureaucracy's accountability level (Widodo, 2001). As stated in the research of Saputra, Devi Satria, Darwanis, and Abdullah (2014), public Accountability allows the government to be responsible for all actions taken so that the government's budget performance can be assessed internally and externally.

One of the main principles of good governance is Accountability, which applies to public and private organizations. This concept involves reporting resource use and Performance to the public and stakeholders (KNKG, 2022). Accountability can ensure efficient and effective budget management. The higher the public Accountability, the better the government budget Performance. Reza Cahya Eka Suci and Abdul Rohman (2023) revealed this in their research.

This is in line with research by Setiyanningrum, Irna, and Isroah (2017) and Marselina Saina Setia (2019), which found that Accountability with the concept of value for money simultaneously and partially increases budget performance. In addition, research by Bambang Jatmiko (2020) found that Accountability and Transparency have a positive and significant impact on the Budget Performance of the Sleman Regency Work Unit. Based on the literature review and previous research reviews, the hypothesis of this study is:

H1: Accountability has a positive effect on Budget Performance at Work Units at KPPN Bandung II.

Transparency is when the public knows what the government is doing and happening, including the various procedures and decisions taken by the government in implementing public affairs (ITB, 2004). Transparency is an essential component of good governance. According to Sabarno (2007), good governance requires Transparency, participation, and ease for the public to access the results of government performance. It is important to develop and implement a robust and consistent data monitoring system at the national level. This step allows regular public reporting. This kind of transparency is very necessary to ensure accountability and support information-based policy making (Walker, Shelley, 2023).

Transparency can be used to assess the performance of public institutions and encourage the public to be more critical of facts. The results of research by Pingki Veronika and Nugraeni (2023) show that Transparency and control positively impact budget performance. In other words, the more transparent the budget is to the public, the better the government's budget performance. If public Transparency is better, the performance of public institutions will also be better. This was stated in a study conducted by Setiyawan, Hari Eka, and Safri (2016) entitled Analysis of the Influence of Public Accountability, Public Transparency, and Control on the Performance of Regional Work Units in Bungo Regency.

The statement above is in line with research conducted by Ninik Puspita Sari (2020). The results of the research concluded that Accountability and Transparency have positive implications both partially and simultaneously on the budget performance with the concept of value for money in the Surabaya City government. Likewise, the results of research conducted by Reza Cahya Eka Suci and Abdul Rohman (2023) stated that Accountability, Transparency and supervision positively affect budget performance. Based on the literature review and previous research reviews, the hypothesis of this study is:

H2: Transparency has a positive effect on Budget Performance at Work Units at KPPN Bandung II.

All activities and actions taken to ensure that the implementation of an activity runs according to the plans, rules, and objectives set are referred to as control. Internal control is needed to ensure that public policies related to the budget cycle are implemented in accordance with the law. According to Situmorang (2005), if plans and programs are implemented without being accompanied by an intensive and consistent control system, the achievement of targets and objectives will be delayed or even not achieved.

It is hoped that the government will understand the budget control method for identifying waste and budget leaks. Research by Annisa Febiarty, M. Th. Heni Widyarti, and I Nyoman Romangsi (2022) found that internal control partially affects fraud prevention. In addition, Pertiwi (2015) found that the concept of value for money positively impacts budget performance through control.

Internal control allows public organizations to manage budgets in accordance with their vision and mission to provide effective services to the community and help achieve their goals and improve community welfare. This is in line with research conducted by Bambang Jatmiko (2020), which found that internal control has a positive and significant impact on the budget performance of the Sleman Regency Government. Previous studies have shown that internal control helps Budget Performance by using the value-for-money approach because it is used to reduce budget leakage in accordance with the law. Based on the literature review and previous research reviews, the hypothesis of this study is:

H3: Internal control positively affects Budget Performance at the Work Unit at KPPN Bandung II.

B. METHOD

In this research, the data needed is numerical data obtained from the calculation and measurement of the value of each variable because this research is quantitative. This research employed descriptive statistical analysis. The researcher conducted research at Work Units of KPPN Bandung II. 187 work units at KPPN Bandung II in the financial management section were the research subjects, and 147 work units from the population were taken as samples to process and test the hypothesis. The sampling technique used was the random sampling method. Primary data were collected through a questionnaire used to measure the variables of Accountability (X1), Transparency (X2), Internal Control (X3), and Budget Performance (Y). To measure the opinions of work units, a 5-point Likert scale was used.

According to (Ellwood, 1993) a public organization is considered accountable if it meets four accountability indicators. The four indicators are: 1) Accountability for Honesty (Accountability for Probity) related to preventing abuse of power. Meanwhile, Legal Accountability ensures compliance with applicable laws and regulations in the use of public funds; 2) Process Accountability focuses on evaluating whether the procedures used are adequate in carrying out tasks. This includes the effectiveness of accounting information systems, management information systems, and administrative procedures. This Accountability is realized through fast, responsive, and efficient public services; 3) Program Accountability assesses the extent to which the objectives that have been set can be achieved and considers alternative programs that can produce optimal benefits at minimal cost; 4) Policy

Accountability reflects the obligation of the government, both at the central and regional levels, to be accountable for its policies to the general public.

The dimensions of measurement or indicators of Transparency according to Loina Lalolo Krina (2003) include two aspects, namely: 1) Public Communication by the Government consisting of the following indicators: (a) Provision of clear information about responsibilities; (b) The existence of a complaint mechanism for deviations from applicable regulations; 2) Public Rights to Access Information consisting of the following indicators: (a) Ease of access to information (b) Increasing the flow of information through cooperation with the media.

The elements of the indicators of the Government Internal Control System (SPIP) according to Government Regulation Number 60 of 2008 are as follows: 1) Control Environment; 2) Risk assessment; 3) Control activities; 4) Information and communication; 5) Monitoring of internal control.

C. RESULT AND DISCUSSION

The sample of this study was financial management employees at the KPPN Bandung II working unit. The sampling technique was carried out using the random sampling method and the number of samples that could be processed was 147 respondents. The results of the questionnaire distribution will be presented briefly in the following table:

Table 2. Respondents' Characteristic

Characteristic		Total	Percentage
Sex	Male	86	58,50%
	Female	61	41,50%
Age	< 25 Years	8	5,44%
	25 - 34 Years	30	20,41%
	35 - 44 Years	54	36,73%
	45 - 54 Years	47	31,97%
	>= 55 Years	8	5,44%
Education	Senior High	35	23,81%
	D1/D2/D3	33	22,45%
	D4/S1	63	42,86%
	Master	16	10,88%
Position	Executive	76	51,70%
	Functional officers	70	47,62%
	Administrator/Supervisor	1	0,68%
Working Period	< 5 Years	19	12,93%
	6 - 10 Years	39	26,53%
	11 - 15 Years	44	29,93%
	> 15 Years	45	30,61%

Source: Data Processed (2024)

Table 2 provides information that there are more male respondents than female. From the age characteristics, the fewest respondents are under 25 years old at 5.44%, and most respondents are in the age range of 35 - 44 years at 36.73%. In the last education characteristics, Master degeree is the fewest respondents at 10.88%, and the largest is D4/Bachelor degree at 42.86%. The largest position providing respondents is the Executor at 51.70%.

Table 3. *Validity Result*

Variable	Instrument	Pearson Correlation	Sig. (2-tailed)	Keterangan
Accountability	AK1.1.1	,626**	,000	Valid
	AK1.1.2	,655**	,000	Valid
	AK1.2.1	,750**	,000	Valid
	AK1.2.2	,790**	,000	Valid
	AK2.1	,807**	,000	Valid
	AK2.2	,722**	,000	Valid
	AK2.3	,812**	,000	Valid
	AK2.4	,548**	,000	Valid
	AK3.1	,625**	,000	Valid
	AK3.2	,629**	,000	Valid
	AK4.1	,774**	,000	Valid
Transparency	TR1.1.1	,851**	,000	Valid
	TR1.1.2	,619**	,000	Valid
	TR1.1.3	,752**	,000	Valid
	TR1.2.1	,786**	,000	Valid
	TR1.2.2	,777**	,000	Valid
	TR2.1.1	,698**	,000	Valid
	TR2.1.2	,818**	,000	Valid
	TR2.2	,661**	,000	Valid
Internal Control	PI1.1	,754**	,000	Valid
	PI1.2	,829**	,000	Valid
	PI1.3	,826**	,000	Valid
	PI1.4	,833**	,000	Valid
	PI1.5	,819**	,000	Valid
	PI1.6	,806**	,000	Valid
	PI1.7	,707**	,000	Valid
	PI1.8	,819**	,000	Valid
	PI2.1	,790**	,000	Valid
	PI2.2	,761**	,000	Valid
	PI3.1	,735**	,000	Valid
	PI3.2	,811**	,000	Valid
	PI3.3	,806**	,000	Valid
	PI3.4	,810**	,000	Valid
	PI3.5	,655**	,000	Valid
	PI3.6	,787**	,000	Valid
	PI3.7	,812**	,000	Valid
	PI3.8	,828**	,000	Valid
	PI3.9	,836**	,000	Valid
	PI3.10	,789**	,000	Valid
	PI3.11	,790**	,000	Valid

	PI4.1	,840**	,000	Valid
	PI4.2	,792**	,000	Valid
	PI5.1	,770**	,000	Valid
	PI5.2	,789**	,000	Valid
	PI5.3	,788**	,000	Valid
Budget	KA1.1	,791**	,000	Valid
Performance	KA1.2.1	,789**	,000	Valid
	KA1.2.2	,836**	,000	Valid
	KA2.1.1	,829**	,000	Valid
	KA2.1.2	,821**	,000	Valid

Source: Data Processed (2024)

The validity test results were carried out using the Pearson correlation test, as shown in Table 3. All items in the questionnaire of this study have a Pearson correlation value of more than (Sig. (2-tailed) <0.05), which means that each item of the variables Accountability, Transparency, Internal Control, and Budget Performance of the Work Unit is valid. Therefore, the validity requirements of the measuring instrument are met.

Table 4. *Reliability Test*

Indicator	Cronbach's Alpha	Description
Accountability	,919	Reliable
Transparency	,928	Reliable
Internal Control	,979	Reliable
Budget Performance	,949	Reliable

Source: Data Processed (2024)

By using Cronbach alpha, respondents' answers are tested for reliability level. The results for each variable have a value of more than 0.90, indicating that the results are reliable. The results of the reliability test using the Cronbach Alpha coefficient as in Table 4, the accountability variable shows a value of 0.919 above 0.90, which means perfect reliability, and the transparency variable shows a value of 0.928 above 0.90, which indicates perfect reliability; the internal control variable shows a value of 0.979 above 0.90, which indicates perfect reliability. Likewise, the results indicate perfect reliability for the budget performance variable with a value of 0.949 above 0.90. All indicators of each variable show a Composite Reliability value> 0.70 so that it can be said to be reliable.

Table 5 *Descriptive Statistic*

	N	Minimum	Maximum	Mean	Std. Deviation
Accountability	147	37,00	55,00	48,5986	4,76238
Transparency	147	25,00	40,00	35,0272	3,77980
Internal Control	147	77,00	130,00	112,7347	11,89528
Budget Performance	147	15,00	25,00	21,9184	2,53877
Valid N (listwise)	147				

Source: Data Processed (2024)

The descriptive statistics results are presented in Table 5. For the Accountability variable, the minimum answer was 37, the maximum answer was 55, and the average total answer was 48.5986 with

a standard deviation of 4.76238. This shows that most accountability values range close to the mean, ranging between 37 and 55. For the Transparency variable, the minimum answer was 25, the maximum answer was 40, and the average total answer was 35.0272 with a standard deviation of 3.77980. This shows that transparency data tends to be more centralized, with values ranging between 25 and 40. Meanwhile, for the Internal Control variable, the minimum answer was 77, the maximum answer was 130, and the average total answer was 112.7347 with a standard deviation of 11.89528. This shows that there is greater variation in internal control data compared to other variables. The minimum and maximum values that are quite far apart (77 to 130) indicate that there is quite a wide variation in internal control among respondents. In the variable of Budget Performance of Work Unit, the minimum answer of respondents is 15 while the maximum answer is 25 and the average total answer is 21.9184 with a standard deviation of 2.53877. This shows that budget performance values tend to cluster close to the average, ranging between 15 and 25. Valid N (listwise): 147, which means 147 valid data are used for all these analyses.

Classical Assumption Test

Normality, heteroscedasticity, and multicollinearity tests are used in classical assumption testing. The normality test of the study was conducted using the variance coefficient value, which showed the variance coefficient value of the accountability variable of 9.80%, the transparency variable of 10.79%, the internal control variable of 10.55%, and the budget performance variable of 11.58%, each variance coefficient value was lower than 30%. So, the residual data is normally distributed. In this study, the multicollinearity test was conducted using the comparison of the calculation of the variance inflation factor (VIF) and tolerance values. The VIF value for the accountability variable is 4.869, and the tolerance value of Accountability is 0.205. The VIF value of the transparency variable is 4.361, and the tolerance value of Transparency is 0.229. The VIF value of the internal control variable is 4.247, and its tolerance value is 0.235. Each variable has a VIF value of less than 10, and a tolerance value of more than 0.10. As a result, it can be concluded that the regression model does not show multicollinearity between independent variables.

In this study, the glejser test is used to test heteroscedasticity. The results of the glejser test for the accountability variable are 0.234, the transparency variable is 0.725, and the internal control variable is 0.059, each above the sig value of 0.05. Therefore, the problem of heteroscedasticity does not exist.

Hypothesis Testing and Data Analysis

The Effect of Accountability, Transparency, and Internal Control on the Budget Performance of Work Units is seen through multiple regression tests. The results of the T test are as follows:

Table 6. T-Test

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-,264	1,110		-,238	,812
	Accountability	,142	,050	,266	2,860	,005
	Transparency	,082	,059	,122	1,386	,168
	Internal Control	,110	,019	,516	5,947	,000

Source: Data Processed (2024)

The results of the T-test are shown in Table 6 above. Based on the table, the resulting regression equation is as follows:

$$Y = 0{,}142X_1 + 0{,}082X_2 + 0{,}110X_3 - 0{,}264 + e$$

The results of the first hypothesis test show that Accountability affects the Budget Performance of the Work Unit, with a positive regression coefficient value of 0.142 and a significance value of 0.005 <alpha 0.05. Based on these results, it can be concluded that the first hypothesis is accepted, meaning that there is a positive correlation between Accountability and budget performance. Based on the

second hypothesis test results, a positive regression coefficient value of 0.082 was obtained with a significance value of 0.168 > alpha 0.05. This means that Transparency does not partially affect the Budget Performance of the Work Unit, so it can be concluded that the second hypothesis is rejected. Based on the third hypothesis test results, a positive regression coefficient value of 0.110 was obtained with a significance value of 0.000 <alpha 0.05. This means that Internal control has a positive effect on the Budget Performance of the Work Unit. So it can be concluded that the third hypothesis is accepted.

The results of the F test are used in this study to measure the effect of independent variables on dependent variables simultaneously. The results of the F test are as follows:

Table 7. F-Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	702,163	3	234,054	140,125	,000[b]
	Residual	238,857	143	1,670		
	Total	941,020	146			

Source: Data Processed (2024)

The calculated F value of 140.125 is greater than the sig value of 0.000 < alpha (0.05) in Table 7. This shows that Accountability, Transparency, and internal control have the same effect on the budget performance of the Work Unit. So the model test is said to be feasible or suitable (fit) for use in this study. The determination test is used in this study to measure the model's ability to explain independent and dependent variables. Table 8 below shows the results of the determination test. Determination test is used in this study to measure the ability of the model to explain independent and dependent variables. Table 8 below shows the results of the determination test.

Table 8 . Determination test results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,864[a]	,746	,741	1,29241

Source : Data Processed (2024)

Table 8 shows the results of the determination test. The table shows an Adjusted R Square of 0.741, which shows that Accountability, Transparency and Internal Control can be responsible for 74.1% of the work unit budget performance, while other variables outside the model contribute 25.9%.

Accountability has a significant effect on the Budget Performance of Work Units

The first hypothesis (H1) shows that the regression coefficient has a positive value of 0.142 with a significance of 0.005, which is smaller than alpha 0.05. This indicates that Accountability has a positive and significant effect on the budget performance of Work Units with the concept of value for money. The implementation of the results of this test, in the context of agency theory, emphasizes that the government as an agent (leader) and the people as principals (parties served) must be accountable for various aspects to the House of Representatives (DPR) and the community. These aspects include performance planning, measurement, evaluation, and analysis of budget performance accountability. This can be seen in several points, namely: There is a close relationship between performance achievement and the policies and programs implemented, this Accountability is realized through fast, responsive, and efficient public services and being accountable for its policies to the general public. With the implementation of Accountability, the budget performance of Work Units is expected to be more optimal.

Frequent financial scandals and budget misuse highlight the urgency of accountability to prevent corruption, increase public trust and ensure good governance. Implementing transparent and accountable monitoring systems, such as those in federally funded health care facilities, is needed to accurately measure the impact of policies, including on groups of individuals detained at US

immigration (Dekker, et al, 2024). These efforts must be accompanied by steps to clarify roles and decision-making processes, adopt joint transparency policies, and develop a strong accountability framework (Moon, et al, 2022). Good governance in public sector organizations is very important to increase efficiency, sustainability, accountability and justice, as well as preventing abuse of authority and organizational failure, especially amidst society's ever-increasing expectations for quality public services.

Transparency has no significant effect on Budget Performance of Work Units

The second hypothesis (H2) shows that the regression coefficient has a positive value of 0.082 with a significance level of 0.168, which is greater than alpha 0.05. This shows that Transparency does not affect Budget Performance of Work Units with the concept of value for money. The causal factor is looking at the data obtained, especially the responses to the transparency research questionnaire point 16, namely the statement "Every complaint given by an individual is responded to quickly and can be accounted for" there are 11% of respondents who gave hesitant answers. Meanwhile, according to Nowlis (2008), the large number of hesitant options can be caused by ambivalence, which causes respondents not to make clear decisions. This can also be caused by respondents ignorance of the bureaucratic flow of public complaints. In addition, data in the field also shows that not all Work Units carry out budget transparency actions in terms of comprehensive disclosure related to budget announcements to the public. This is proven by the absence of an official website containing budget disclosures from each Work Unit. These results support the research of Dewi, et al. (2023) that Transparency does not affect the performance of the value for money concept budget.

Public monitoring mechanisms for the government are often not optimal, either because the information provided is less comprehensive or because the governance system emphasizes procedural compliance rather than substantive results. Transparency often becomes an administrative formality without real action to ensure effective budget management. Other obstacles include limited access to or expertise in utilizing information by the public or internal supervisors, which creates the appearance of transparency without any real impact on performance. Transparency is sometimes perceived as a threat, thereby encouraging defensive behavior to avoid openness. In addition, the lack of supporting infrastructure, such as a digital reporting system or adequate internet access, also limits the effectiveness of transparency. However, in the digital era, public demands for access to public budget information are increasing, making transparency an important tool to meet these expectations.

Transparency encourages active community participation in monitoring government policies and programs. With access to open information, the public can understand the impact of policies on their welfare, realize their right to quality services, and demand government accountability in budget management. Credible information helps reduce suspicion of the government, strengthen trust, and build more harmonious relationships between society and state institutions. As a key element in good governance, transparency allows all stakeholders to understand the decision-making process and budget implementation more clearly. The regulator's approach to big data requires practical guidance and a new legal framework for evaluating the validity of claims based on data analysis. In the era of algorithms, accountability based on Descriptive Transparency is no longer relevant, so a shift towards relational transparency and collaboration in knowledge production is needed (Kempeneer, 2021).

Internal Control has a significant effect on the Budget Performance of the Work Unit

The third hypothesis test (H3) shows that Internal Control has a positive regression coefficient of 0.110 with a significance value of 0.000, which is smaller than alpha 0.05. This indicates that Internal Control positively affects the Work Unit's Budget Performance with the concept of value for money. The implementation of the results of this test emphasizes that the government as an agent (leader) and the people as principals (parties served) must ensure that the Internal Supervisory Unit (SPI) and the Inspectorate continue to carry out the role of Internal Control according to their duties and responsibilities. The Control aspects include the Control environment, risk analysis, Control activities, communication and information, and monitoring. Some indicators of the implementation of this Internal Control are: The Work Unit has set job competency standards, Code of Conduct (Code of Ethics) and Standard Operating Procedures (SOP) applied by employees, the Inspectorate supervises

all management activities periodically, the Leadership conducts a comprehensive risk analysis of the main activities of the Work Unit and its risk management.

Effective internal control plays an important role in minimizing deviations during the implementation of tasks and encouraging Accountability for programs or activities that are getting better over time. This contributes to the realization of a clean government, good governance, and free from corruption, collusion, and nepotism. The better the quality of internal control implemented, the more optimal the Budget Performance of the Work Unit achieved (Sukmana & Anggarsari, 2009).

The internal control system in Kabale local government has mechanisms to manage risks and prevent losses, but risk management and fraud control are still weak. The significance of the internal control system on budget implementation is relatively small, mainly due to weak enforcement by management (Eton, 2019). Thus, effective internal control will improve the Budget Performance produced by the Work Unit. Technological developments enable stronger internal control systems, such as the use of big data and artificial intelligence to detect potential fraud.

D. CONCLUSION AND RECOMMENDATION

Conclusion

This study was conducted to empirically test and prove several components that affect the budget performance of the Work Unit. The results are as follows:

1. Accountability has a significant effect on the budget performance with the concept of value for money at the KPPN Bandung II Work Unit. Accountability is one of the main elements in the realization of Good Government Governance and has been implemented very well by the Work Units at KPPN Bandung II. With strong accountability, the risk of budget misuse and corruption can be minimized. This variable plays an important role in agency theory, namely reducing agency conflict and the risk of moral hazard.

2. Transparency does not significantly affect the budget performance with the concept of value for money at the KPPN Bandung II Work Unit. The budget must be presented openly and clearly regarding the goals, targets, results, and benefits obtained by the community, but in practice the Work Units at KPPN Bandung II have not presented Transparency comprehensively and evenly. Transparency allows principals (public) to monitor agent (government) activities, reduces information asymmetry, and increases public trust in budget management. Weaknesses in implementing transparency, such as the absence of budget disclosure on the Work Unit's official website, demonstrate challenges in implementing the principle of transparency as a whole, which should support good governance mechanisms.

3. Internal control significantly affects budget performance, with the concept of value for money being used at the KPPN Bandung II Work Unit. Internal control at the Work Units at KPPN Bandung II is already very good, this is proven by the existence of internal control carried out by the Inspectorate. One important dimension of good governance is effective internal control to ensure risk management and compliance with governance standards. This is important to ensure that agents (governments) comply with rules and regulations. Internal controls provide additional insight into how an organization's internal structure can support or replace external controls to ensure the achievement of governance objectives.

Recommendation

Further research should involve interviews and not just questionnaires. In this way, the information obtained will not be limited to the questionnaires provided by the respondents. Additional variables such as timeliness and participation are also expected to be included to explain government performance, could also explore how moderating factors, such as organizational capacity and political commitment, influence this relationship. The use of big data and artificial intelligence can strengthen the internal control system, especially in detecting potential fraud. In addition, education about governance and transparency can empower the public to be actively involved in policy monitoring, for example through training, webinars, or educational content from public figures that attract attention. The insertion of material on transparency and accountability in the education curriculum is also important to build awareness of the younger generation, as well as providing budget information in a

simple and visual format to help the general public understand and monitor budget management more effectively and efficiently.

REFERENCE

Bastian, I. (2015). *Akuntansi Sektor Publik : Suatu Pengantar*. Erlangga.

Davananda, S. A. (2023). *Pengaruh Pengawasan, Akuntabilitas, Dan Transparansi Keuangan Terhadap Kinerja Anggaran Pada Satuan Kerja Perangkat Daerah (SKPD) Kabupaten Brebes*. Tegal: Universitas Pancasakti.

Dekker, Annette M., et al. (2024). A Call for Increased Transparency and Accountability of Health Care Outcomes in US Immigration and Customs Enforcement Detention Centers. *The Lancet Regional Health - Americas*, *36*(100825), 1–7.

Dewi, Barokah Sitta, &, & Hadiprajitno, P. T. B. (2023). Pengaruh Akuntabilitas, Transparansi, dan Pengawasan Terhadap Kinerja Anggaran Berkonsep Value For Money Pada Instansi Pemerintah Kota Surakarta. *Diponegoro Journal Of Accounting*, *12*(4), 1–7.

Eton, M. (2019). Internal Control and Budget Implementation in Kabale District Uganda. *International Journal of Science and Research*, *8*(1), 815–821.

Febiarty, Annisa, Widyarti, M.Th. Heni , & Romangsi, I. N. (2022). The Influences of Accountability, Transparency And Internal Control With Participation As Moderation Variable On Fraud Prevention In Village Funds Management. *Jurnal Aktual Akuntansi Keuangan Bisnis Terapan*, *5*(1), 61–80.

Gultom, L. L. (2023). Pengaruh Akuntabilitas Keuangan Daerah, Value For Money, Kejujuran, Transparansi dan Pengawasan terhadap Pengelolaan Keuangan Daerah. *Jurnal Ilmiah Multidisiplin*, *2*(9), 1–20.

Jatmiko, B. (2020). Pengaruh Pengawasan Internal, Akuntabilitas Dan Transparansi Terhadap Kinerja Pemerintah Daerah Kabupaten Sleman. *Jurnal Akuntansi Trisakti*, *7*(2), 231–246.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the Firm: Managerial Behavior, Agency Cost and Ownership Structure. *Journal of Financial Economics*, *3*(4), 305–360.

Kempeneer, S. (2021). A Big Data State of Mind: Epistemological Challenges to Accountability and Transparency in Data-Driven Regulation. *Government Information Quarterly*, *38*(101578), 1–8.

Krina, L. L. (2003). *Indikator dan Alat Ukur Prinsip Akuntabilitas, Transparansi & Partisipasi*. Badan Perencanaan Pembangunan Nasional.

Maranjaya, A. K. (2022). Good Governance Sebagai Tolak Ukur Untuk Mengukur Kinerja Pemerintahan. *Jurnal Sosial Dan Teknologi*, *2*(11), 929–941.

Mardiasmo. (2018). *Akuntansi Sektor Publik*. CV Andi Offset.

Moon, Suerie, et al. (2022). Governing the Access to COVID-19 Tools Accelerator: Towards Greater Participation, Transparency, and Accountability. *The Lancet Regional Health - Americas*, *399*(21), 487–494.

Pertiwi, D. P. (2015). Pengaruh Akuntabilitas, Transparansi, dan Pengawasan terhadap Pengelolaan Anggaran Berkonsep Value For Money pada Instansi Pemerintah (Studi Empiris SKPD Provinsi Riau). *Jurnal Jom FEKON*, *2*(2), 1–15.

Ratih, D. (2023). *Pengaruh Akuntabilitas, Transparansi, Dan Pengawasan Terhadap Kinerja Anggaran Berkonsep Value For Money*. Jawa TImur: Universitas Pembangunan Nasional "Veteran."

Saputra, Devi Satria, Darwanis, D. & Abdullah, S. (2014). Pengaruh Transparansi, Akuntabilitas dan Komitmen Organisasi Terhadap Kinerja Satuan Kerja Perangkat Daerah (Studi pada Pemda Kabupaten Aceh Selatan). *Jurnal Akuntansi Program Pascasarjana Universitas Syiah Kuala*, *3*(2), 76–84.

Sari, N. P. (2020). *Pengaruh Akuntabilitas Dan Transparansi Terhadap Kinerja Anggaran Berkonsep Value For Money Pada Pemerintahan Kota Surabaya*. Surabaya: STIE Perbanas.

Setia, M. S. (2019). Pengaruh Akuntabilitas dan Transparansi Terhadap Kinerja Anggaran Berkonsep Value For Money Pada Pemerintah Kota Malang. *Jurnal Riset Mahasiswa Akuntansi*, *7*(1), 1–10.

Setiyanningrum, Irna, & Isroah, I. (2017). *Pengaruh Akuntabilitas, Transparansi, dan Pengawasan Terhadap Kinerja Anggaran dengan Konsep Value For Money Pada Badan Usaha Milik Daerah (BUMD) Di Yogyakarta*. *5*(3).

Setiyawan, Hari Eka, & Safri, M. (2016). Analisis Pengaruh Akuntabilitas Publik, Transparansi Publik

dan Pengawasan Terhadap Kinerja Satuan Kerja Perangkat Daerah di Kabupaten Bungo. *Jurnal Perspektif Pembiayaan Dan Pembangunan Daerah*, *4*(1).

Silviana, & Melisa, M. (2014). Analisis Kinerja Keuangan Pemerintah Kota Bandung Tahun 2008-2012. *Profita*, *6*(3), 315–335.

Situmorang, V. M. (2005). *Aspek hukum pengawasan melekat dalam lingkungan aparatur pemerintah*. Rineka Cipta.

Suci, Reza Cahya Eka, & Rohman, A. (2023). Pengaruh Akuntabilitas, Transparansi, dan Pengawasan Terhadap Kinerja Anggaran Dengan Konsep Value For Money Pada Organisasi Perangkat Daerah Kabupaten Grobogan. *Diponegoro Journal Of Accounting*, *12*(4), 1–15.

Veronika, Pingki, & N. (2023). Pengaruh Akuntabilitas, Transparansi dan Pengawasan Terhadap Kinerja Anggaran dengan Konsep Value For Money. *Jurnal Ilmiah MEA (Manajemen, Ekonomi, Dan Akuntansi)*, *7*(3), 938–948.

Walker, Shelley, et al. (2023). Police Custody in Australia: A Call For Transparency and Accountability. *Australian and New Zealand Journal of Public Health*, *47*(2), 1–3.

Widodo, J. (2001). *Good Governance : Telaah dari dimensi: Akuntabilitas dan Kontrol Birokrasi Pada Era Desentralisasi dan Otonomi Daerah*. Insan Cendekia.