

The Effect of Budget Clarity, Human Resources Competence, Compliance with Laws and Regulations, Information Technology to Quality of Government Accountability Reports Performance with Leader Commitment as A Moderating Variable in Medan Regional Apparatus Organizations

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ABSTRACT

This study aims to analyze the effect of budget clarity, human resource competence, Compliance with laws and regulations, and information technology on the quality of government accountability reports on performance with leader commitment as a moderating variable in regional apparatus organizations. This type of research is causality associative. This research uses a survey method with the population being all regional apparatus organizations within the Medan City Government, totalling 56 regional apparatus organizations, comprising 112 respondents, including the head of the finance subdivision and expenditure treasurer. The data analysis method used is descriptive statistical analysis and Partial Least Square (SEM-PLS) analysis. The Smart PLS 3.0 program assists the analysis.

The results of this study indicate that budget clarity, human resource competence, Compliance with laws and regulations, and information technology significantly affect the quality of government accountability reports' performance. Leader commitment cannot moderate budget clarity, human resource competence, Compliance with laws and regulations, information technology on the quality of government accountability reports on

performance at the Regional apparatus organizations of the Medan City Government.

Keywords: budget clarity, human resources competence, compliance with laws and regulations, information technology, leadership commitment, quality of government accountability reports performance.

INTRODUCTION

Good governance of government administration in a country is an unavoidable necessity. The government is obliged to apply good rules in running the wheels of government, including the restrictions in the field of state financial management, which realize in the form of applying the principles of good governance. This study uses 56 samples from each department related to respondents, two people who represent each sample in Regional apparatus organizations in Medan City.

Performance Accountability is the embodiment of the obligation of a government agency to account for the success or failure of implementing programs and activities that stakeholders have mandated to achieve the organization's

mission measurably with performance targets/targets that have been set through government agency performance reports compiled periodically, listed in Act. No. 29 of 2014.

As a general principle, accountability for state administration determines that every activity and the final result of state administration activities must be accountable to the public as the holder of the highest state sovereignty. Performance Indicators are measures of success achieved from the performance of programs and planned activities. Program Performance Indicators measure the results (outcomes) of a program which is the implementation of the main tasks and functions of a state ministry/institution and local government carried out by work units, as stated in Law No.29 of 2014.

The performance of the regional government by itself is the overall achievement or results during the implementation of regional autonomy. The formulation of a performance plan containing a description of the targets and programs that have been set in the regional government strategic plan needs to be carried out to achieve the expected level of performance. In Indonesia, the practise of measuring the performance of government agencies has been carried out after Presidential Instruction No. 7 of 1999 concerning the performance accountability of government institutions. In response to these instructions, the State Administration Agency and the State Development Audit Agency compiled a guidebook for preparing the Government Accountability Report Performance.

Mashun (2019) stated that public sector performance measurement fulfils three purposes. First, the measurement of public sector performance intends to help improve government performance by focusing on the work unit program's goals and objectives, which can increase the efficiency and effectiveness of public sector organizations in providing public services. Second, public

sector performance measures use for resource allocation and decision making. Third, public sector performance measures intend to realize public accountability and improve institutional communication (Lumenta et al., 2016).

The better the Compliance with laws and regulations, the higher the level of Performance Accountability of Government Institutions. Local governments and work units must comply with and implement the applicable laws and regulations. Compliance with laws and regulations will encourage the smooth running of work programs according to the goals and objectives that will realize the Performance accountability of government institutions.

From the source of information that the author obtained, it is known that there is a government accountability report performance that still gets a good score. As explained by the following table:

Table 1. Comparison of Score & Mark Values of Performance Accountability of Government Institutions in Medan

	Rated Components	Score	Mark		
			2018	2019	2020
a	Performance Planning	30	17,02	18,86	19,06
b	Performance Measurement	25	8,63	9,79	10,13
c	Performance Reporting	15	8,31	8,12	7,96
d	Internal Evaluation	10	5,14	4,73	4,73
e	Performance Achievements	20	11,04	10,71	10,74
	Value of Evaluation Results	100	50,14	52,21	52,62
	Performance Accountability		CC	CC	CC

Source: Badan Penelitian dan Pengembangan Kota Medan

Based on table 1 above shows that the components of the performance assessment contained in the Performance Accountability of the Government Institution of Medan City are as follows:

1. Performance Planning scored 17.02 in 2018, while the weight that should have been achieved was 30. It shows that performance planning did not reach the desired weight or was very far from the

- desired target, as well as in 2019 (18.86) and Year 2020 (19.06).
2. Performance Measurement obtained a score of 8.63 in 2018. In contrast, the weight that should have been achieved was 25. It also shows that Performance Measurement did not reach the desired weight or was very far from the desired target, as was the case in 2019 (9.79) and 2020 (10.13), which only experienced a slight increase from the previous year.
 3. Performance Planning obtained a score of 17.02 in 2018. In contrast, the weight that should have been achieved was 15. It shows that Performance Reporting did not reach the desired weight. The same was the case in 2019 (8.12) and 2020 (7.69), which decreased from the previous year.
 4. In 2018 for Internal Evaluation, the score was 5.14. In contrast, the weight that should have been achieved was 10. It shows that the Internal Evaluation did not reach the desired weight, the same as in the following years, 2019 (4.73) and 2020 (4.73). The assessment of the Internal Evaluation was considered stagnant.
 5. In 2018 for Performance Achievements, a score of 11.04 was obtained. In contrast, the weight that should have been achieved was 20. It shows that the Performance Achievement did not reach the desired weight, as was the case in the following year, 2019 (10.71) and 2020 (10.74), which did not show a significant increase in the results of the outcome assessment work.

The Ministry of Administrative Reform and Bureaucratic Reform evaluates the implementation of the performance accountability system of government institutions, both at the central and regional levels, to determine the level of accountability of government agencies for their performance. The evaluation component includes performance planning, measurement, reporting, performance

evaluation, and performance achievements. Based on Ministry of State Apparatus Utilization and Bureaucratic Reform Regulation No. 12 of 2015 concerning Guidelines for Implementation of Performance Accountability Evaluation of government institutions, there are seven predicates of performance accountability evaluation results, starting from the lowest category D to the highest category AA. This value indicates the level of accountability for the consequences (outcomes) of using the budget in the context of realizing a results-oriented government.

Research has been conducted on budget clarity, human resource competence, compliance with laws and regulations, information technology, and leadership commitment. But there are still inconsistencies in the results of the research that has been done. The difference in research on the budget target clarity variable on the quality of government accountability reports performance according to Pane's research (2018), which found that budget clarity had a significant positive effect on the quality of government accountability reports performance. In contrast to the results of research from Sitompul (2020), which found that budget clarity has no significant effect on the quality of government accountability reports performance.

In the variable Compliance with laws and regulations on the quality of government, accountability reports performance according to research by Dewata (2020), which found that compliance with laws and regulations had a significant positive effect on the quality of government accountability reports performance, different from the results of research from Putri (2015). who found that human resource competence had no significant effect on the quality of government accountability reports on performance. The Information technology variable on the quality of government accountability reports performance according to research by

Umitasari (2015), which found that Information technology had a significant positive effect on the quality of government accountability reports performance. It differed from the results of Putri (2015), who found that Information technology does not significantly affect the quality of government accountability reports.

Framework

Following the description of the problem background, literature review, and previous research, the conceptual framework for this research is as follows:

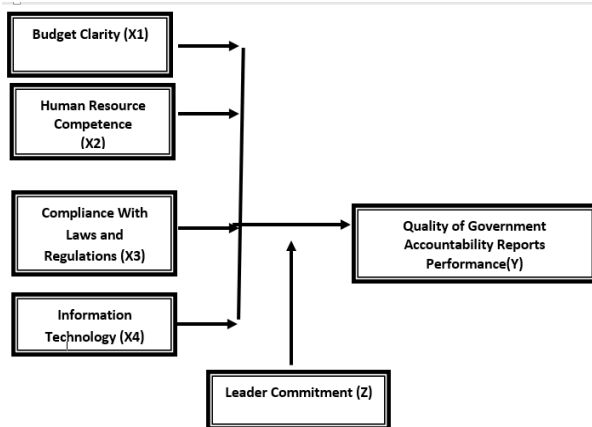


Figure 1. Conceptual Framework

- H1: Budget clarity has a positive effect on quality of government accountability reports performance
- H2: Human Resources' positive impact on the quality of government accountability reports performance
- H3: Compliance with Laws and Regulations has a positive effect on the quality of government accountability reports, performance
- H4: Information technology's positive impact on quality of government accountability reports performance
- H5: Leader commitment can moderate the influence of budget clarity on the quality of government accountability reports, performance
- H6: Leader commitment can moderate the impact of Human Resource Competence on the quality of government accountability reports, performance

H7: Leader commitment can moderate the effect of Compliance with laws and regulations on the quality of government accountability reports, performance

H8: Leader commitment can moderate the influence of information technology on the quality of government accountability reports, performance

RESEARCH METHODS

The type of research used is associative-causal research. Causal Associative is research using the characteristics of the problem in the form of a causal relationship between two or more variables (Erlina, 2011). This study examines the effect of budget clarity (X1), human resources competence (X2), compliance with laws and regulations (X3), information technology (X4) as an independent variable on the quality of government accountability reports performance (Y) as a dependent variable with leader commitment (Z) as a moderation variable.

The population in this study were all 56 regional apparatus organizations within the Medan Municipal Government. Each regional apparatus organization represents by two employees who were directly involved in preparing government accountability reports on performance, including the head of the finance and program sub-division and expenditure treasurer. Erlina & Mulyani (2007) states that the researcher uses all population elements as research data. It is called a census- the use of census when the population elements are relatively few and are heterogeneous.

In this study, the data analysis method used was structural equation modelling-partial least squares (SEM-PLS) using SmartPLS software.

RESULT AND DISCUSSION

Descriptive statistics

Descriptive statistical analysis of the study provides an overview of the variables used

in the study that described the respondents' perceptions or opinions on the questions posed. In this study, the variables used in the descriptive statistical calculations are budget clarity, human resources competence, Compliance with laws and regulations, information technology, leadership commitment, and quality of government accountability reports on performance.

Table 2. Descriptive Statistics

Variable	N	Min	Max	Mean	Standar Deviation	Kategori
Budget Clarity	112	2	5	3.89	0.616	Baik
Human Resource Competence	112	2	5	3.85	0.675	Baik
Compliance With Laws and Regulations	112	2	5	4.07	0.616	Baik
Information Technology	112	2	5	3.76	0.574	Baik
Leader Commitment	112	2	5	3.77	0.518	Baik
Quality of Government Accountability Reports Performance	112	2	5	4.01	0.633	Baik

Source: Data processed using SEM-PLS (2021)

Outer Model Evaluation (Measurement Model): Validity and Reliability Testing

Table 3. Validity Test based on Loading Factor

	(X1)	(X3)	(Z)	(X2)	(Y)	(X4)
X1.1	0.74					
X1.2	0.76					
X1.3	0.79					
X1.4	0.74					
X1.5	0.73					
X1.6	0.77					
X1.7	0.77					
X2.1				0.80		
X2.2				0.77		
X2.3				0.75		
X2.4				0.77		
X2.5				0.77		
X3.1		0.744				
X3.2		0.795				
X3.3		0.776				
X3.4		0.770				
X3.5		0.797				
X4.1						0.78
X4.2						0.83
X4.3						0.82
Y1.1					0.711	
Y1.2					0.782	
Y1.3					0.771	
Y1.4					0.792	
Y1.5					0.743	
Y1.6					0.827	
Y1.7					0.798	
Y1.8					0.851	
Z1.1			0.82			
Z1.2			0.77			
Z1.3			0.84			

Source: Data processed using SEM-PLS (2021)

Indicators with loadings below 0.40 should be removed from the model. However, for indicators with loadings between 0.40 and 0.70, we should analyze the impact of the decision to delete these indicators on average variance extracted and composite reliability. We can remove the indicator with loading between 0.40 and 0.70 if the indicator can increase the average variance extracted and composite reliability above the threshold (Mahfud and Ratmono, 2013: 67). The limit value of AVE is 0.50, and the composite reliability is 0.7. Another consideration in removing indicators is their impact on the content validity of the construct. Indicators with small loadings are sometimes maintained because they contribute to the validity of the constructed content (Mahfud and Ratmono, 2013:67). Table 3 presents the loading values for each indicator.

Based on the testing of the validity of the loading factor in Table 3, it showed that the entire loading value is > 0.7, which means that it has fulfilled the validity requirements based on the loading value. Furthermore, validity testing is based on the average variance extracted value.

Table 4. Validity Test based on Average Variance Extracted

	Average Variance Extracted (AVE)
Budget Clarity (X1)	0.579
Compliance With Laws and Regulations (X3)	0.603
Leader Commitment (Z)	0.658
Human Resource Competence (X2)	0.603
Quality of Government Accountability Report Performance (Y)	0.617
Information Technology (X4)	0.664
X1*Z	1.000
X2*Z	1.000
X3*Z	1.000
X4*Z	1.000

Source: Data processed using SEM-PLS (2021)

The recommended AVE value is above 0.5 (Mahfud and Ratmono, 2013:67). It is known that the entire AVE value is > 0.5, meaning it has met the validity requirements based on the AVE. Furthermore, reliability testing is carried out based on the composite reliability value.

Table 5. Reliability Testing based on Composite Reliability (CR)

	Composite Reliability
Budget Clarity (X1)	0.906
Compliance With Laws and Regulations (X3)	0.884
Leader Commitment (Z)	0.852
Human Resource Competence (X2)	0.883
Quality of Government Accountability Report Performance (Y)	0.928
Information Technology (X4)	0.855
X1*Z	1.000
X2*Z	1.000
X3*Z	1.000
X4*Z	1.000

Source: Data processed using SEM-PLS (2021)

The recommended CR value is above 0.7 (Mahfud and Ratmono, 2013:67). It is known that all CR values are > 0.7, meaning they have fulfilled the reliability requirements based on CR.

Then, the discriminant validity test carries out using the Fornell-Larcker approach. Table 6 presents the results of discriminant validity testing.

Table 6. Discriminant Validity Test

	(X1)	(X3)	(Z)	(X2)	(Y)	(X4)
Budget Clarity (X1)	0.76					
Compliance With Laws and Regulations (X3)	0.39	0.77				
Leader Commitment (Z)	0.25	0.19	0.81			
Human Resource Competence (X2)	0.33	0.33	0.19	0.77		
Quality of Government Accountability Report Performance (Y)	0.64	0.66	0.36	0.67	0.92	
Information Technology (X4)	0.33	0.27	0.15	0.35	0.58	0.81

Source: Data processed using SEM-PLS (2021)

In discriminant validity testing, the value of the square root of the AVE of a latent variable compares with the correlation value between the latent variable and other latent variables. The square root value of AVE for each latent variable is greater than the correlation value between the latent variable and other latent variables. So it is concluded that it has met the requirements of discriminant validity.

Effect Significance Test (Bootstrapping)

Table 7 presents the results of the significance test of the effect.

Table 7. Significance Test of Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
(X1) -> (Y)	0.35	0.35	0.123	2.871	0.004
(X3) -> (Y)	0.25	0.22	0.108	2.320	0.021
(Z) -> (Y)	0.14	0.13	0.058	2.495	0.013
(X2) -> (Y)	0.28	0.29	0.110	2.604	0.009
(X4) -> (Y)	0.17	0.14	0.080	2.222	0.027
X1*Z -> (Y)	0.06	0.07	0.092	0.670	0.503
X2*Z -> (Y)	-0.09	-0.11	0.101	0.911	0.363
X3*Z -> (Y)	0.01	0.02	0.070	0.216	0.829
X4*Z -> (Y)	-0.03	-0.02	0.072	0.485	0.628

Source: Data processed using SEM-PLS (2021)

Based on the results in Table 7, the following results are as follows:

1. X1 is known to Y with P-Values = 0.004 < 0.05 (Significant Effect).
2. X3 is known to Y with P-Values = 0.021 < 0.05 (Significant Effect).
3. Z against Y with P-Values = 0.013 < 0.05 (Significant Effect).
4. X2 is known to Y with P-Values = 0.009 < 0.05 (Significant Effect).
5. X4 is known to Y with path coefficient value (original sample column) 0.177 and significant, with P-Values = 0.027 < 0.05 (Significant Effect).
6. It is known that X1*Z against Y with P-Values = 0.503 > 0.05 (No Significant Effect).
7. X2*Z is known to Y with P-Values = 0.363 > 0.05 (No Significant Effect).

8. $X3*Z$ is known to Y with P-Values = $0.829 > 0.05$ (No Significant Effect).
9. $X4*Z$ is known to Y with P-Values = $0,628 > 0,05$ (No Significant Effect).

Table 8. Coefficient of Determination(*r-square*).

	R Square
Quality of Government Accountability Reports Performance (Y)	0.746

Source: Data processed using SEM-PLS (2021)

Based on Table 8 it showed that the coefficient of determination (R-Square) for government agency accountability reports is 0.746. Budget clarity, human resources competence, Compliance with laws and regulations, information technology, and leadership commitment can explain the quality of government accountability reports performance of 74.6%.

CONCLUSION

Based on the results of research and discussion, the following conclusions are as follows:

1. Budget clarity significantly affects the quality of government accountability reports on performance. (Hypothesis Accepted).
2. Compliance with laws and regulations significantly positively affects the quality of government accountability reports on performance. (Hypothesis Accepted).
3. Leader commitment has a significant positive effect on the quality of government accountability reports on performance. (Hypothesis Accepted).
4. It is known that Human Resource Competence has a significant positive effect on the quality of government accountability reports on performance. (Hypothesis Accepted).
5. It is known that information technology has a significant positive effect on the quality of government accountability reports on performance. (Hypothesis Accepted).

6. Leader commitment cannot moderate the effect of budget clarity on the quality of government accountability reports on performance. (Moderation Hypothesis Rejected).
7. Leader commitment cannot moderate the influence of Human Resource competence on the quality of government accountability reports on performance. (Moderation Hypothesis Rejected).
8. Leader commitment cannot moderate the effect of Compliance with laws and regulations on the quality of government accountability reports on performance. (Moderation Hypothesis Rejected).
9. Leader commitment cannot moderate the influence of information technology on the quality of government accountability reports on performance. (Moderation Hypothesis Rejected).

RESEARCH LIMITATIONS

Here the author conveys some of the shortcomings as follows:

1. The results of the R-Square test are still in the moderate category, so other independent variables can better influence the quality of the government accountability report's performance.
2. In this study uses a causal associative survey method. Most of the respondents refused the interview and were only willing to fill out the questionnaire, so the answers seemed biased and not the actual solutions.
3. The sample collected is inadequate and only limited to parties related to government accountability report performance (subsection head & treasurer), so the results of this study cannot be generalized optimally.

SUGGESTION

Based on the results of the research, discussion, and conclusions obtained, the suggestions from this research are as follows:

1. This study only uses 112 respondents as the research sample. For further research to increase the number of samples so that validation is more guaranteed or conduct heterogeneous research, which may give different results because the culture or mindset of the respondents is different.
2. For further researchers, the writer expects that they will be able to consider using other variables, both from the independent or the moderating variable.
3. The Medan City Government should pay more attention to the Internal Performance Measurement and Evaluation to improve the quality of government accountability reports on performance. We can see this from the lack of performance measurement and internal evaluation assessments, so the targets achieved are less than optimal. Efforts to improve performance reports for the Medan City Government should be a serious concern. It is because the assessment of the Government accountability report performance in the Medan City Government does not experience significant changes from year to year and even only stays at the CC value. Improving the quality of government accountability reports on performance can maximize budget, the performance of the state apparatus increases, services are more timely and transparent, and achieve the target every periodical.

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