

The Influence of Accountability, Transparency and Supervision on Budgeting Performance with the Concept of Value for Money in Village Owned Enterprises in Klaten Regency

Desi Anggraini¹, Sucahyo Heriningsih², Windyastuti³

Universitas Pembangunan Nasional "Veteran" Yogyakarta^{1,2,3}

Jl. Padjajaran (Lingkar Utara) Condongcatur, Sleman Yogyakarta 55283, Indonesia

Correspondence Email: sucahyoheriningsih@upnyk.ac.id

ORCID ID: <https://orcid.org/0000-0003-4067-060X>

ARTICLE INFORMATION

Publication Information

Research Article

HOW TO CITE

Desi, A., Heriningsih, S., & Windyastuti. (2021). The Influence of Accountability, Transparency and Supervision on Budgeting Performance with the Concept of Value for Money in Village Owned Enterprises in Klaten Regency. *Journal of International Conference Proceedings*, 4(3), 704-713.

DOI:

<https://doi.org/10.32535/jicp.v4i3.1419>

Copyright © year owned by Author(s).

Published by JICP



This is an open-access article.

License: Attribution-Noncommercial-Share Alike (CC BY-NC-SA)

Received: 28 November 2021

Accepted: 11 December

Published: 30 December 2021

ABSTRACT

This study determines the effect of accountability, transparency, and supervision on budget performance with the concept of value for money in village-owned enterprises in the Klaten district. This study uses primary data with a questionnaire data collection instrument distributed directly to respondents. The population in this study is all village-owned enterprises in the Klaten district. The sample in this study was 21 village-owned enterprises obtained from the sample collection method, namely purposive sampling, and received 44 respondents. Questionnaire data were tested using multiple linear regression analysis. The results showed that accountability did not affect budget performance with the concept of value for money. Transparency effects budget performance with the idea of value for money. And supervision affects budget performance with the idea of value for money.

Keywords: Accountability, Budget Performance with The Concept of Value for Money, Supervision, Transparency, Village-Owned Enterprises

JEL Classification: M40, M41, M49

INTRODUCTION

One form of village development can form a village-owned business entity. A Village-Owned business entity is intended as business institutions that encourage the economic productivity of villagers. Also, it was born as a village institution that serves to create the welfare of citizens by utilizing the assets and potential of the village and the participation of capital from the village (Huruta, 2016).

Klaten Regency is one of the districts that have Village Owned Enterprises in several villages. The number of Village Owned Enterprises in Klaten Regency has continued to increase significantly since 2015 and quoted from koran Bernas.id, Head of Village Community Empowerment Office Klaten, explained that until November 2019, there were already 300 units of Village Owned Enterprises that had been established from 391 villages. The number of Village Owned Enterprises formed in Klaten Regency is known to be seven units classified advanced, 14 units classified developed, 150 units classified waiting, and 120 units basic category. But from the many village-owned enterprises that have been formed, there are still BUMDes that have not been able to pay employee salaries or generate business profits. This data shows that there are still Village Owned Enterprises that have not been able to optimize the budget in the management and development of village economic products. Thus, the budget performance of Village Owned Enterprises in Klaten Regency can be said to be still less effective and efficient in running their business. In this case, the era of supervision in an organization emerges as very important to realize accountability and transparency in circumstances of inequality and prevent the use of budgets that are not appropriate for allotment. Consequently, the goal is not achieved economically, efficiently, and effectively whose benefits or outputs of public services are difficult to feel by the community.

Budget management can be improved by applying the principles of value for money. The concept of *value for money* contained in the implementation of performance-based budgets is based on three main indicators, namely economic, efficient, and effectiveness. *Value for money* can be achieved if the organization has used the smallest input cost to achieve optimum output in order to achieve the organization's goals (Mardiasmo, 2006). Budget performance concept *value for money* or performance-based budget is a budget system that prioritizes efforts from planning work results or output from planning cost allocation or inputs setting. Budgeting is associated with *value for money* because there are still many budgets that have not been implemented economically (high costs, minimal results or budgets used not based on needs or priority scales, and wasteful budgets).

This study empirically tested the influence of accountability, transparency, and supervision on budget performance concept *value for money* because previous research still exists that has not been consistent. Research conducted by Arifani (2018) concluded that accountability has no effect on the performance of value for money-based budgets. Research conducted by Laoli (2019) found that transparency has no effect on budget performance with the value for money concept. Also, research conducted by Rigion (2019) found that supervision has no effect on the performance of budget concepts of *value for money*.

LITERATURE REVIEW

Budget Performance

Output-oriented budgeting and organizational vision, mission, and strategy are known as performance-based budgeting. In the future, success in making continuous performance improvements will largely depend on how feedback from continuous

performance measurements is carried out. (Bastian, 2006). Mardiasmo (2006) states that to overcome various weaknesses in traditional budgeting, it is necessary to use a performance-based budgeting approach. The concept in *performance-based budgeting* implementation of efficient, effective, economical, and not forgetting the initial goal of focusing on the main priority is the interests of the community (Arista, 2016).

Value for Money

Mardiasmo (2006) *value for money* (VFM), It is a management concept based on economic, efficient, and effectiveness elements. Economics is concerned with inputs that obtain the lowest prices of a certain quality and quantity, related to minimizing *the input resources* used by avoiding wasteful expenditures. Efficiency is related to the achievement of maximum output with the use of minimum inputs. Effectiveness is the result of the program in achieving the targets that have been set.

Accountability

Accountability is the achievement of organizational goals and objectives by carrying out the organization's mission responsibly. (Mardiasmo, 2006). The most pressing aspect in the sense of accountability is the public's right to know the policies that can be taken by those who are entrusted. The better the performance of the budget, the better the implementation of accountability. (Arifani, 2018).

Accountability gives public space to participate in development and governance process. Accountability is needed as a performance measuring tool in an organization, including public sector organizations, to produce better and targeted public services.

H1: Accountability affects budget achievement with the concept of value for money.

Transparency

In-Law No. 14 of 2008 on Public Information Disclosure, Transparency is openness in the decision-making process and the ease of access in obtaining information about the company. According to Mahmudi (2011), Transparency is related to the ease of excess information that an organization provides to stakeholders about public resource management activities.

The requirement of accountability for public resource management activities is to make financial statements as a form of transparency. Openness in budgeting is able to increase the performance of budget concept value for *money*. Budget performance with the concept of value for money will be higher with the stronger the implementation of transparency. (Garini, 2011). Transparency is not only by just openness to the implementation of the budget but also by whether the budget is implemented effectively, efficiently, and economically.

Transparency can prevent corruption, easily identify weaknesses and policy strengths, increase organizational accountability, increase trust in organizational commitment, strengthen social cohesion because public trust in the organization is formed, and create a better investigative climate to increase business certainty (Andrianto, 2007).

H2: budget performance with the concept of value for money influenced by Transparency

Supervision

According to Firmansyah (2018) explained that supervision is the process of monitoring activities to maintain that an activity is carried out purposefully and towards achieving the planned goals by conducting research, cooperative action against activities that deviate or are not appropriate with the intended target. Deviations can be prevented by supervision, so it can be said that budget performance with the concept of value for money can be improved by supervision. Supervision measures the implementation of

objectives, determines the causes of deviations, and takes necessary corrective actions in Purnomo (2018). One aspect of supervision is the examination, which aims to assess whether the actual implementation of activities is by what should be. If there are indications of irregularities, this can be corrected immediately.

H3: Budget performance with the concept of value for money influenced by Supervision

RESEARCH METHOD

The type of research used is quasar associative research, which describes and tests the relationship hypothesis of two or more variables. The research population uses village-owned enterprises in Klaten Regency, using *purposive sampling* techniques. The criteria used for sampling are the leadership of Village Owned Enterprises and administrators in the field of accounting (finance). Meanwhile, the criteria of Village Owned Enterprises that are used as research are Village Owned Enterprises that are classified as advanced and developing based on the assessment of Service Community Empowerment and Klaten Regency Village.

Budget performance with the concept of value for money is dependent variables used in this study. According to and Avita (2018) the performance of emigrants with a *value for money* concept or performance-based budget is a budget system that prioritizes efforts to achieve work or output from planning a defined cost allocation or input. Independent variables of accountability, transparency, and oversight. According to Mardiasmo (2006), The agent's obligation is to provide accountability, present, report, and disclose all activities and activities and is responsible to those who have the right and obligation to hold accountable. While, Andrianto (2007), transparency in the process of managing public resources, namely the availability of access and active participation from all levels of society. Supervision is a process of thorough regulation of all government activities to run these activities by applicable legislation.

Data Analysis Techniques

Measuring the validity or validity of questionnaires, the study used validity tests. The testing techniques in this study used *Pearson's Bivariate correlation*. In determining whether or not an item is worth it to be used, a signification test is performed at 0.05, meaning that an item is considered valid if it is significantly correlated to the total score. Reliability test to measure a questionnaire that indicates a variable or constructs. Alpha Cronbach was used to perform reliability tests in this study and its reliability measures have values ranging from zero to one. Multiple linear regression analysis is used to test hypotheses. By analyzing the results of the *adjusted value of R²*, that reflects how the X-free variable can explain much variation of the Y-bound variable. Test F and Test t are used together to determine whether independent variables are together or individually. Influencing hypothetical dependent variables will be tested using a significant rate of 5% (0.05).

RESULTS

Data Description

The questionnaire was distributed as many as 44 questionnaires, and respondents were managers of Village Owned Enterprises.

Table 1. Characteristics of Respondents

Number of respondents		Frequency	Percentage (%)
		44	100
Gender	Man	32	72,73

	Woman	12	27,27
Current age	20-30 years	6	13,64
	31-40 years	8	18,18
	41-50 years	22	50
	>50 years	8	18,18
The last education	SD	-	-
	Junior High School Equivalent	-	-
	High School Equivalent	16	36,36
	Diploma III (D3)	6	13,64
	Bachelor (S1)	21	47,73
	Magister (S2)	1	2,27

Source: Processed primary data, 2020

Based on the table, it shows that the male administrators are more dominant than administrators of the female sex. Managers consist of various age levels with vulnerable after 41-50 years that dominate more. Meanwhile, most of the last level of education is undergraduate (S1).

Descriptive Statistics Research Variables

Here are the results of descriptive statistical analysis of data on each variable:

Table 2. Descriptive Statistics

N = 44	Minimum	Maximum	Mean	Std. Deviation
X1 Accountability	28	44	36,84	3,184
X2: Transparency	31	45	36,36	3,307
X3: Supervision	30	45	36,34	3,132
budget performance	33	55	45,64	4,254

Source: Primary data processed 2020

The results of the instrument validity test of budget performance variables with the concept of value *for money* from 11 statements show that each statement is declared valid with a significant value smaller than 0.05. Reliability tests are intended to determine the extent to which the measurement results remain consistent if the measurement is taken twice or more in the same result. *Cronbach's Alpha* results on each variable are greater than 0.70, which suggests that all research variables can be expressed as reliable, so that statement items in the research variable can be used for future research.

1. Coefficient of Determination^(R²)

How far a model can explain the variation of independent variables can be measured the coefficient of determination^(R²). Between zero and one is the coefficient of determination. When there are limitations to independent variables in explaining dependent variables, then the value will be smaller. When an independent variable provides almost all the information to predict a dependent variable, it is close to the number one. (Ghozali, 2016). The results of the determination coefficient (R²) test can be seen in the table below as follows:

Table 3. Determination Coefficient Test Results (R2)

Model	R	R Square	Adjusted R Square
1	,813 ^a	,660	,635

Source: Processed primary data, 2020

The table shown that magnitude of *Adjusted R Square* by 0.635 or 63.5%. That is, budget achievement with the concept of value for money, can be explained by variations in independent variables, namely accountability, transparency, and supervision of 63.5%. The remaining 36.5% (100%-63.5%) was explained by other causes beyond the independent variables used in the study.

1. Test F

Using a significant rate of 5% (0.05), The result of statistical test F can be seen in the table below as follows:

Table 4. Statistical F Test Results

Model	Df	Average Square	F	Sig.
1 Regression	3	171,297	25,925	,000 ^b
Remnant	40	6,607		
Entire	43			

Source: primary data, 2020

Based on the table, significance level of 0.000 less than 0.05. It can be concluded that budget performance with the concept of value for money is influenced by accountability, transparency, and mutual supervision simultaneously.

Test t

The following table is the result of the statistical test t

Table 5. Statistical Test Results t

Model	Unstandardized Coefficients		Sig.
	B	Std. Error	
1 (Constant)	1,898	5,245	,719
accountability _X1	,105	,160	,514
transparency _X2	,671	,160	,000
supervisory X3	,425	,178	,022

Source: primary data, 2020

The table shows that the accountability variable with a significance level of 0.514, greater than 0.05. The accountability variable is declared to not affect budget performance with *value for money*. Thus, the first hypothesis (H1), which states that accountability affects budget performance with the idea of value for *money*, was rejected.

Variable value transparency 0.000, which means smaller than 0.05. The transparency variable is expressed to affect budget performance with *value for money*. Thus, the second hypothesis (H2), which states that budget performance with the idea of value for money is influenced by transparency while the significance value of the supervisory variable is 0.022, which means less than 0.05. Meanwhile, budget performance with the

concept of value for money is influenced by supervisory variables. Thus, the third hypothesis (H3) is acceptable, since budget performance with the idea of value for money is influenced by supervision.

DISCUSSION

The results of the study showed that budget performance with the concept of value for money in Village Owned Enterprises in Klaten Regency was not affected by accountability. The statistical tests showed that responsibility has a significant value of 0.514 greater than 0.05. Thus, the first hypothesis (H1) in this study is rejected, so somebody can conclude that the accountability of an entity in presenting information about decisions or programs that have been taken does not affect budget performance effectively, efficiently, and economically. With the data obtained, there are still managers who have less understanding, and there are doubts about the interests of *stakeholders* and work plans and managing budgets as published documents.

Accountability is a form of accountability in achieving previously set goals and objectives to those who have the authority and right to hold accountable. The principle of accountability that the public has the right to know the policies that can be taken by policymakers. Interested parties here are the government and the community (financiers).

The results of this study are not much different from the results of research conducted by Arifani. (2018), which states that accountability has no effect on the performance of *value for money-based budgets*. The fault does not guarantee that value for *money-based* budget performance will be better. On the contrary, the results of this study are not in line with the research conducted by Rigian (2019), Suharyono (2019), Laoli (2019), Purnomo (2018). They state that budget performance with the concept of *value for money* is influenced by accountability.

In addition, budget performance with value for money in Village Owned Enterprises in Klaten Regency is also influenced by transparency. This is evident from the results of statistical tests, where transparency has a positive regression coefficient of 0.671 and a significance of 0.000 less than 0.05. This proves that the second hypothesis (H2) is acceptable. This conclusion makes it clear that the better the performance of the budget with the concept of value for money, it means that the transparency of an entity is also the better. With the information obtained that there are still many administrators who still feel hesitant in the party that audits RKAP Village Owned Enterprises because there are no provisions that are audited by external parties such as inspectorate, BPK, BPKP, or KAP because Village Owned Enterprises is an entity that is separate from the village government but does not mean the external party cannot conduct audits on village-owned business entities.

Transparency is the disclosure of information related to public resource management activities to stakeholders (stakeholders) provided by an organization. (Mahmudi, 2011). Implementing good transparency will reduce possible fraud in the entity environment so that transparency is a controlling tool over budget performance. When the community obtains information related to the performance of an entity, it will form public trust in the commodity.

In this case, transparency must continue to maintain to reduce or prevent the level of fraud and public trust. But there are still some things that improve, namely the use of the website as a means of publication, *e-budgeting*, and internal and external audits of

budgets and financial statements. The point is to make it easier for people to get the information needed with a convincing presentation of information.

No different from the research that has been done by Rigian (2019), Suharyono (2019), Arifani (2018), Purnomo (2018). They stated that transparency affects the performance of *value for money-based* budgets. In contrast, Laoli (2019), found different results, where transparency had no effect on budget performance with the concept of value for money.

On the other hand, budget performance with value for money in Village Owned Enterprises in Klaten Regency was apparently influenced by supervision. Statistical test results show surveillance has a positive regression coefficient value of 0.425 and a significance level of 0.022 smaller than 0.05. This has proven that the findings of the study can accept the third hypothesis (H3), so it can be said that budget performance with the concept of value for money is better, then it means that the supervision of an entity is also better. With the information obtained that there are still administrators who have a lack of understanding and still feel hesitant about the statement that the finance department has a role in providing input in policy preparation, stakeholder aspirations needed in budgeting, and external supervision is required to know the financing or expenditure in Village Owned Enterprises have been on target or not.

The implementation of supervision is an activity that observes earnestly to compare with what should happen. The existence of control can prevent irregularities committed by irresponsible parties so that management provides confidence that marks that the activities have been carried out according to the benchmarks that have been set effectively and efficiently. Supervision for Village Owned Enterprises is carried out internally and externally. Internal supervisors come from within the community, while external oversight comes from outside. A sound supervision system is expected to direct the board to carry out its duties appropriately to improve the quality of the entity's budget performance to avoid irregularities, such as waste.

This study agrees with what Suharyono (2019) has done, Arifani (2018), which states that supervision affects budget-based performance. *Value for money*. Conversely, the findings of this study disagree with what Rigian has done (2019), where budget performance with the concept of value for money is not influenced by supervision.

CONCLUSION

This study aims to find out how budget performance with the concept of value for money in Village Owned Enterprises in Klaten Regency is influenced or not by accountability, transparency, and supervision. Based on the data and results of the above analysis, it can be concluded as follows:

1. Budget performance with the concept of value for money in Village Owned Enterprises in Klaten Regency area is not affected by Accountability
2. Budget performance with the concept of value for money in Village Owned Enterprises in Klaten Regency was influenced by Transparency
3. Budget performance with the concept of value for money in Village Owned Enterprises in Klaten Regency is in fact influenced by Supervision

LIMITATION

The limitations experienced during the study are as follows:

1. Researchers do not accompany the questionnaire filling so that respondents may answer questions that are not serious and only based on ideal perception.

2. This study uses a sampling method that is *purposive sampling* which there are only 21 that are classified as advanced and developing based on the assessment of Service Community Empowerment in Klaten Regency Village, from 300 Village Owned Enterprises used in this study.

Based on the findings and conclusions, it can be given some suggestions, namely:

1. Village Owned Enterprises
 - a. Improve the understanding of managers related to accountability involving *stakeholders* and inform the budget of the public so that there is no fraud so that responsibility can increase.
 - b. Transparency and supervision are maintained or increased so that public trust increases and policymaking will be by the actual conditions in Village Owned Enterprises.
2. The next researcher
 - a. Research on budget performance with the concept of value for money, researchers can add that can be influenced by other variables
 - b. Researchers expected to increase the number of samples used to collect more data.
 - c. Researchers advise accompanying in filling out questionnaires so that respondents who do not understand the questions in the questionnaire helped to
 - d. expected to ascertain whether the budgeting system used in Village Owned Enterprises will be the research object.

ACKNOWLEDGMENT

Thank you to the managers of Village Owned Enterprises in Klaten Regency, who have been willing as respondents and filled out questionnaires in this study.

DECLARATION OF CONFLICTING INTERESTS

According to researchers, realizing accountable, transparent governance of village-owned enterprises is needed. An adequate supervision system is necessary to achieve budget performance with the concept of value for money (economical, efficient, and practical).

REFERENCES

- Andrianto, N. S. E., & Wahyudi, S. (2007). Good e-Government: Transparansi dan Akuntabilitas Publik Melalui e-Government.
- Arifani, C., Salle, A., & Rante, A. (2018). Pengaruh Akuntabilitas, Transparansi Dan Pengawasan Terhadap Kinerja Anggaran Berbasis Value For Money. *Jurnal Akuntansi Dan Keuangan Daerah*, 13(1), 68-82.
- Arista, A. A. S. A. N. & I W. Suartana. (2016). *Pemahaman Atas SAP Sebagai Pemoderasi Pengaruh Akuntabilitas Dan Transparansi Pada Kinerja Anggaran SKPD Kota Denpasar*. E-Jurnal Akuntansi Universitas Udayana, 17 (2), 1667-1699.
- Avita, E. S. (2018). *Peranan Badan Usaha Milik Desa (BUMDES) Terhadap Pendapatan Asli Desa Mojokrapak Kecamatan Tembeleng Kabupaten Jombang* (Doctoral dissertation, STIE PGRI Dewantara Jombang).
- Bastian, I. (2006). *Akuntansi Sektor Publik: Suatu Pengantar*. Jakarta: Erlangga.
- Firmansyah. (2018). *Pengaruh Akuntabilitas, Transparansi, Dan Pengawasan Terhadap Kinerja Anggaran Berkonsep Value For Money Pada Instansi Pemerintahan Di Kota Makassar*. Economics Bosowa Journal, 4 (1).

- Garini, N. (2011). *Pengaruh Transparansi Dan Akuntabilitas Terhadap Kinerja Instansi Pemerintah Pada Dinas Kota Bandung*. Skripsi. Bandung: Universitas Komputer Indonesia.
- Ghozali, I. (2016). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 23*. Semarang: Universitas Diponegoro.
- Huruta, A. D., & Sasongko, G. (2016). Uang dan ruang yang berkelanjutan dalam pembentukan Badan Usaha Milik Desa (BUMDes). *Masyarakat, Kebudayaan dan Politik*, 29(4), 212-222.
- Laoli, V. (2019). Pengaruh Akuntabilitas dan Transparansi terhadap Kinerja Anggaran Berkonsep Value of Money pada Pemerintah Kabupaten Nias. *Owner: Riset dan Jurnal Akuntansi*, 3(1), 91-102.
- Mahmudi. (2011). *Akuntansi Sektor Publik Cetakan Pertama*. Yogyakarta: Ull Press.
- Mardiasmo, M. (2006). Perwujudan transparansi dan akuntabilitas publik melalui akuntansi sektor publik: suatu sarana good governance. *Jurnal Akuntansi Pemerintah*, 2(1), 1-17.
- Purnomo, B. S. & Putri. C. (2018). *Akuntabilitas, Transparansi, Pengawasan dan Kinerja Berbasis Value For Money*. *Jurnal Riset Akuntansi dan Keuangan*, 6 (3), 467-480.
- Rigian, D., & Ratna P. S. (2019). *Pengaruh Akuntabilitas, Transparansi, Dan Partisipasi Terhadap Kinerja Anggaran Berbasis Value For Money*. *Journal of Business and Information System*, 1 (1).
- Suharyono, S. (2019). The Effect Of Accountability, Transparency, And Supervision On Budget Performance By Using The Concept Of Value For Money In Regional Business Enterprises (Bud) Of Riau Province. *International Journal of Public Finance*, 4(2), 236-249.