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Papua Province Regional Government Performance In A Portrait Of Accountability, Transparency and Oversight

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Abstract

This research aims to obtain empirical evidence of the influence of accountability, transparency, and supervision on the performance of the regional government of Papua Province. This type of research is explanatory research with hypothesis *testing*. Hypothesis testing is carried out to test the causal relationship between the variables to be studied, namely between the dependent variable in the form of auditor performance and the independent variables (accountability, transparency, and supervision). This research uses primary data obtained directly through field studies using a questionnaire instrument consisting of several statements. The population of this study were employees of Regional Apparatus Organizations in Papua Province. At the same time, the sample was 3 people from each OPD related to regional financial reporting except for the Inspectorate. The author used 15 samples. The research results show that accountability, transparency, and financial transparency influence the performance of the Regional Government of Papua Province. Financial accountability will create better government performance Meanwhile, financial transparency (openness) in the implementation of development can improve local government performance as expected. Meanwhile, effective supervision of regional financial management will improve the performance produced by regional governments.

Introduction

The government's performance is considered good if it can be seen from the achievement of results implemented in a real and maximum manner. If the performance has been carried out and achieved satisfactory results, it must be by the vision and mission of a group or organization which has been established as the basis for carrying out tasks that must be accounted for. Performance measurement helps local government officials determine the level of achievement of goals and helps citizens evaluate whether the level of services provided by the government is equal to or equal to the money spent on program services

(Ihyaul, 2017). Therefore, the performance of government institutions is closely related to supervision, accountability, and transparency. To strengthen accountability methods, good performance management is needed.

In implementing various kinds of statutory regulations that are related to the application of the concept of financial accountability and financial transparency in regional financial management, it is hoped that it can realize good regional government management that is pro-community. The implementation of financial accountability and financial transparency in regional financial management is expected to improve regional government performance (Wiguna, 2015). The term performance is often used to refer to achievements and if the employees are good and qualified, then the performance of the local government will be better and of better quality too.

Law Number 23 of 2014 concerning Regional Government states that the efficiency and effectiveness of regional government administration needs to be improved. As a public sector organization, the community demands that regional governments have good performance in the interests of the community and encourage the government to always respond to the environment and strive to provide good services, financial transparency, and quality there must also be a good division of tasks within the regional government (Adi, 2015).

Performance measurement with the concept of *value for money* is to measure the level of economy in resource allocation, efficiency in the use of resources with optimal results, and effectiveness in the use of resources. In achieving organizational goals, apart from *value for money*, there is also financial accountability. Financial accountability is the responsibility carried out by a person or an institution for all actions shown to those who give authority. Financial accountability is the obligation of the fiduciary (*agent*) to provide accountability, present, report, and disclose all activities and actions for which they are responsible to the fiduciary (*principal*) who has the right and authority to demand that accountability. Financial accountability is a complex concept that is more difficult to realize than eradicating corruption (Mardiasmo, 2012).

Government financial reports must provide information that can be used by report users to assess government accountability in making economic, social, and political decisions. Financial accountability is defined as the relationship between the party that controls and manages the entity and the party that has formal power over the controlling party. This also requires an *accountable third party* to provide a reasonable explanation or reason for all activities carried out and business results obtained in connection with the implementation of a task and the achievement of a certain goal. In the context of government administration, government financial accountability cannot be known without the government informing the people of information regarding the collection of resources and sources of public funds and their use.

To strengthen financial accountability mechanisms, good performance management is required. Implementation of various regulations in legislation related to the application of the concept of financial accountability and transparency in regional government management that is pro-people. The application of financial accountability and financial transparency in regional financial management is expected to improve the performance of regional governments. Financial supervision of regional financial management is very important to implement because financial supervision is an effort to ensure equality between regional (central) government administration and ensure the smooth implementation of government tasks effectively and efficiently (Wiguna, 2015).

Apart from that, the demands of the public sector are related to the need for transparency and information to the public to fulfill public rights in terms of budget management. Financial transparency can be interpreted as openness in providing information

related to public resource management activities to parties who are stakeholders (Mahmudi, 2016). Financial transparency is one of the principles of *good governance*, financial transparency is built based on the free flow of information, all government processes, institutions, and information need to be accessed by interested parties and the available information must be adequate so that it can be understood and monitored (Coryanata, 2016).

Financial transparency is a principle that guarantees access or freedom for everyone to obtain information about government administration, namely information about policies, the process of making and implementing them, as well as the results achieved. The principle of financial transparency has two aspects, namely: (1) public communication by the government, and (2) the public's right to access information. Financial transparency means having an open policy for supervision. Meanwhile, what is meant by information is something about every aspect of government policy that can be reached by the public. It is hoped that openness of information will result in healthy, tolerant political competition and policies made based on public preferences (Krina, 2012).

Government Regulation Article 4 No. 58 of 2013 states that regional financial management is carried out in an orderly manner, in compliance with applicable laws and regulations, efficiently, transparently, and responsibly by paying attention to the principles of justice and compliance. Transparency means the obligation for managers to implement the principle of openness in the decision process and conveying information. Openness in conveying information also means that the information conveyed must be complete, correct, and timely to all stakeholders. Nothing must be kept secret, hidden, covered up, or delayed in disclosure (Agoes and Ardana, 2009).

Financial supervision activities regarding regional financial management are very important to carry out because financial supervision is an effort to ensure harmony between the implementation of government tasks in the regions and being able to be responsible for the smooth running of government effectively. Supervision is the process of ensuring that activities are planned and can be implemented well. In general, financial supervision is an activity process that is carried out continuously to observe, understand, and assess each activity implementation so that it can prevent and correct errors or irregularities that occur (Wiguna, 2015).

Internal government financial supervision is an important management function in government administration. Through internal supervision, it can be seen whether a government agency has carried out activities by its duties and functions effectively and efficiently, as well as by plans, established policies, and provisions. Apart from that, internal financial supervision over government administration is necessary to encourage the realization of *good governance* and *clean government* and to support government administration that is effective, efficient, transparent, accountable clean, and free from practices of corruption, collusion, and nepotism.

The Government Internal Supervisory Apparatus (APIP) is a government agency formed with the task of carrying out internal financial supervision (internal audit) within the central government and/or regional government, consisting of the Financial and Development Supervisory Agency (BPKP), the Ministry Inspectorate General, Inspectorates/units internal supervision at State Ministries, Main Inspectorates/Inspectors of Non-Ministerial Government Institutions, Inspectorates/internal supervision units at the Secretariat of State High Institutions and State Institutions, Provincial/Regency/City Inspectorates, and internal supervision units at other Government Legal Entities by statutory regulations. invitation (Perka BPKP No. 1633 of 2011).

Internal financial supervision within Departments, Ministries, and Non-Departmental Government Institutions (LPND) is carried out by the Inspectorate General and Main Inspectorate/Inspectorate for the benefit of the Minister/LPND Leader to monitor the

performance of organizational units under their control. The implementation of the functions of the Inspectorate General and Main Inspectorate/Inspectorate is not limited to the audit function but also the function of guiding state financial management. Internal financial supervision within the Provincial/Regency/City Government is carried out by the Provincial/Regency/City Government Inspectorate for the benefit of the Governor/Regent/Mayor in carrying out monitoring of the performance of organizational units under their leadership. Meanwhile, the Financial and Development Supervisory Agency (BPKP), which is under the President, carries out government duties in the field of financial and development supervision by the provisions of statutory regulations.

Based on the 2023 BPK RI Audit Results Report on the Financial Report of the Regional Government of Papua Province for the 2023 Fiscal Year, it is known that the preparation of the Regional Revenue and Expenditure Budget (APBD) for Papua Province received the title Fair With Exceptions (WDP). Based on the results of the BPK audit, there are still findings indicating that there are still deficiencies in supervision and follow-up to regional financial reports, especially in Regional Apparatus Organizations (OPD) in Papua Province. Therefore, stricter supervision is needed from the Regional Inspectorate of Papua Province as an internal monitoring institution under the Governor so that there is no waste and budget leakage, public accountability is needed so that the performance of the regional government can improve.

On the other hand, financial accountability is very necessary as a form of regional government accountability. In implementing public accountability, regional governments are obliged to provide information as a form of fulfilling public rights. Financial accountability is a principle of public accountability which means that the budgeting process from planning, and preparation to implementation must be properly reported and accounted for to the DPRD. Regional financial management has been regulated in Minister of Home Affairs Regulation No. 13 of 2006 concerning guidelines for management, accountability, and supervision of regional finances as well as Procedures for Preparing Regional Revenue and Expenditure Budgets, implementing regional financial administration, and preparing calculations for Regional Revenue and Expenditure Budgets.

Determining regional performance indicators aims to provide an overview of size success achievement vision And mission head area And deputy regional heads who are designated as regional Key Performance Indicators (IKU) and performance indicators for regional government administration which are designated as Key Performance Indicators (IKK). According to Mahsun (2014), regional government performance indicators can be measured using input indicators, process indicators, *output* indicators, outcome indicators, benefit indicators, and *impact indicators*.

Thus, performance indicators that are expected to describe the level of government performance achievement must be determined correctly and can describe the real state of performance. Based on the description of the meaning of government performance determination, to be able to measure the level of performance achievement of regional development implementation, it is necessary to determine regional performance indicators in the form of determining regional development program performance indicators as key performance *indicators*.

Much research has been conducted regarding the influence of accountability, transparency, and supervision on local government performance. One of the studies conducted by Ananda Nicolla (2019) stated that accountability and transparency influence the performance of local government. Other research conducted by Lasmin Mopangga (2017) stated that accountability and transparency of supervision have a significant effect on regional government performance. Based on previous research that has been conducted, the author

conducted a related study on the influence of accountability and transparency on local government performance.

Literature Review and Hypothesis

The Effect of Financial Accountability on Government Performance

Accountability is a concept related to accountability mechanisms from one party to another. Accountability for regional financial management is one of the statutory regulations that must be followed in regional financial management. Implementing regional financial management accountability can directly improve regional government performance. According to research by Lasmin Mopangga (2017), it was found that accountability influences regional government performance.

These results are supported by research by Yohana Maria Vianei Ina Laga (2019), which found that public accountability has a positive effect on local government performance. Based on theory and previous research, the following research hypothesis can be formulated:

H₁: Financial accountability influences government performance

The Effect of Financial Transparency on Government Performance

Transparency is openness in carrying out activities in the form of information, communication and even budgeting to the public in a real and honest manner by legislation. Directly, local governments want to get an assessment from the community regarding their performance. This can make the government strive to display its best performance in fulfilling its duties and responsibilities. Apart from community assessments, assessments from supervisors will also be a pressure for local governments to strive to produce the best performance to improve local government performance in financial management.

According to research by Fifit Purnama (2019), transparency regulations are implemented to foster a sense of responsibility for the government to prevent corruption. In government governance, transparency is where the government must fulfill the public's right to obtain information so that it can facilitate observation by the public. So it can be concluded that the transparency of regional financial management improves its performance in the eyes of the community. Based on theory and previous research, the following research hypothesis can be formulated:

H₂: Financial transparency influences government performance

The Influence of Financial Supervision on Government Performance

Supervision is a very important thing in a job because with good supervision the job will be able to run smoothly and produce optimal and precise work results. According to Setyaningrum (2017), supervision is a process to ensure that planned activities can be implemented well. Supervision activities as a management function intend to determine the level of success and failure that occurs after plans are made and implemented. Having good supervision will encourage employees to be more active in their work and produce good results, especially if they complete their work well. Therefore, regional governments must supervise regional finances so that they can control the finances spent on the activities being carried out. So basically this monitoring action is very active because it looks for corrective action if unexpected things happen.

From the discussion above, it can be concluded that regional financial supervision greatly influences government performance, because, with supervision of government performance, it can be run by established regulations. This research is supported by research by Yohana Maria Vianei Ina Laga (2019), which states that financial supervision influences

regional government performance. Based on theory and previous research, the following research hypothesis can be formulated:

H₃: Financial supervision influences government performance

Research Methods

The type of research that will be carried out is hypothesis *testing*. The analytical method used is by using a multiple linear regression analysis model. This research data analysis uses statistical calculations with the application of Eviews version 13. Apart from measuring the strength of the relationship between two or more variables, regression analysis also shows the relationship between the dependent variable and the independent variable. The analytical method used in this research is data testing, namely descriptive statistics, classical assumption testing, and then hypothesis testing.

Results and Discussion

The Influence of Financial Accountability on Regional Government Performance

Testing the influence of financial accountability variables on regional government performance variables shows that financial accountability variables partially have a significant positive effect on regional government performance. In general, every budget management is always linked to public accountability. In budget management, there is a need for accountability, where demands for the implementation of public accountability are increasingly strengthened by public sector organizations both at the center and in the regions (Mahmud, 2013). Apart from that, the demand for public sector accountability is related to the need for transparency and providing information to the public to fulfill public rights in terms of budget management.

The government agency performance accountability system is an instrument used by government agencies to fulfill their obligations to account for the success and failure of implementing the organization's mission which consists of various components that form a single unit, namely strategic planning, performance planning, performance measurement, and performance reporting. By implementing accountability, better government performance will be created. Government performance is closely related to accountability and transparency. The application of various existing laws and regulations related to the application of the concepts of accountability and transparency in financial management is expected to realize good regional government management that is pro-people. The implementation of accountability and transparency in regional financial management is expected to improve regional government performance.

The results of this research are in line with research by Fifit Purnama (2019), stating that accountability has a significant positive effect on local government performance. Apart from that, the results of Yohana Maria Vianei Ina Laga's research (2019) state that accountability influences regional government performance.

The Effect of Financial Transparency on Regional Government Performance

Testing the influence of the financial transparency variable on regional government performance variables shows that the financial transparency variable partially has a significant positive effect on regional government performance. According to Mardiasmo (2012), transparency means the government's openness *in* providing information related to public resource management activities to parties who need the information. The government is obliged to provide financial and other information that will be used for decision-making by interested parties.

According to Fernandes (2015), who states that transparency (openness) in budget preparation can improve budget performance with a *value-for-money* concept to produce the

expected budget. The policy in preparing the budget made by the government is an important variable in determining the success of budget implementation, therefore the more transparent the policy itself is, the more easily access information can be made by the public.

The results of this research are in line with research by Fifit Purnama (2019), showing that transparency affects local government performance. Other research related to the influence of transparency on regional government performance was conducted by Lasmin Mopangga (2017), stating that transparency has a significant effect on regional government performance.

The Influence of Financial Supervision on Regional Government Performance

Testing the influence of regional financial management supervision variables on regional government performance variables shows that regional financial management supervision variables partially have a significant positive effect on the performance of the Regional Government of Papua Province.

Frequency results regarding monitoring variables consisting of procedural indicators related to the implementation of work carried out by regional governments, standards for time limits in submitting regional financial reports, accuracy in measuring regional government work, measurement of work, evaluation of regional government performance, and improvements in performance corrections from the government. areas in the OPD of Papua Province are classified as high because the average response of respondents to the 7 question items given has an average answer of 4.10 in the agreed category. This means that the supervision carried out by the inspectorate at the Papua Province OPD has been running well and is by the main tasks and functions assigned.

Supervision is a very important thing in a job because with good supervision the job will be able to run smoothly and produce optimal and precise work results. According to Setyaningrum (2017), supervision is a process to ensure that planned activities can be implemented well.

Supervision activities as a management function intend to determine the level of success and failure that occurs after plans are made and implemented. Having good supervision will encourage employees to be more active in their work and produce good results, especially if they complete their work well. Therefore, regional governments must carry out regional financial supervision so that they can control the finances spent on the activities carried out. So basically this monitoring action is very active because it looks for corrective action if unexpected things happen.

Supervision of regional finances greatly influences government performance, because with supervision of government performance, it can be run by established regulations. This research is supported by research by Yohana Maria Viane Ina Laga (2019), stating that financial supervision influences regional government performance. Other research conducted by Lasmin Mopangga (2017) stated that supervision influences the performance of local government.

Conclusion

The conclusion from this research is that financial accountability influences the performance of the Regional Government of Papua Province. By implementing financial accountability, better government performance will be created. Financial transparency influences the performance of the Regional Government of Papua Province. Financial transparency (openness) in the implementation of development can improve local government performance as expected. Supervision of regional financial management influences the performance of the Regional Government of Papua Province. Having effective

supervision of regional financial management will improve the performance produced by regional governments.

This research uses a survey method in the form of a questionnaire and does not conduct direct interviews. This can result in data being obtained only through written instruments, so there may be misperceptions by respondents. The variables financial accountability, financial transparency, and supervision of regional financial management are only able to influence regional government performance by 0.559 or 55.9 % (*value adjusted R2*), this shows that there are still other factors that might influence local government performance by 44.1% which are not included in this study. In this research, the R test results were found to have a value of 0.558, meaning that there are still other variables that influence the performance of the Papua Province regional government. Suggestions for various parties regarding the results of research data analysis are that the Regional Government of Papua Province can increase accountability by making regional financial management accountable to the inspectorate as regional supervisor to see the extent of success of the regional government in improving the resulting performance. The Papua Provincial Regional Government through the Regional Inspectorate can improve regional financial supervision so that undesirable things such as waste and corruption in terms of financial management do not occur as a result of the performance of the Papua Provincial Government. In this way, it can be seen more clearly in terms of quality financial accountability so that it has a good impact on the resulting increase in government performance.

Further research can develop the research by increasing the research sample to be wider. The research results show that *the value adjusted R2 50%* (low), therefore further research can carry out further developments related to similar research by adding other variables such as the quality of human resources.

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