



Performance Accountability Through Internal Control System and Reporting System

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Abstract

The objectives of this study are: 1) To analyze the internal control system on performance accountability. 2) To analyze the reporting system on performance accountability. This research approach is quantitative research as a research method based on the philosophy of positivism, used to examine a particular population or sample, data collection using research instruments, data analysis is quantitative/statistical, intending to test the established hypothesis. The population in this study were employees of the finance department in 11 offices in Jeneponto Regency. Using the purposive sampling technique, the respondent criteria were selected in this study. The respondent was involved in the implementation of the budget using, compiling, and reporting the budget. The samples are sub-section heads, treasurers, and financial staff in each department at OPD Jeneponto Regency, so the total sample is 33 people. Multiple linear regression statistical techniques with the help of SPSS 23 were used to process research data. The study results found that the internal control system and reporting system had a significant positive effect on Performance Accountability.



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1 Introduction

The political and financial decentralization situation has given local communities greater authority to determine directions, policies, goals, and programs (Ahmad et al., 2020). To the activities of local government organizations in providing services, local governments have been given greater flexibility to obtain, manage, and allocate the necessary funds in service matters to the community. The demand for accountability on public institutions, both central and local, causes all government agencies to prepare strategic plans, measure performance, and report them. (Dewi et al., 2017). As a public sector organization, local governments are required to have performance-oriented to the interests of the community and encourage the government to always be responsive to its environment by trying to provide the best service in a transparent and quality manner; besides that, local governments are also required to carry out a good division of tasks in good governance. Exist in the

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area (Amin & Anwar, 2020). The higher demands are submitted to the account given by the state administrators that are mandated to them.

According to the results of the evaluation of SAKIP by the Ministry of Empowerment of State Apparatus and Bureaucratic Reform, in 2018 with the predicate C, in 2019, Jeneponto Regency got a score of 51.26 or with a CC. the predicate and 2020 with CC. Predicate this SAKIP includes Performance Planning, Performance Measurement, Performance Reporting, Performance Evaluation, and Performance Achievements of each Regional Government. This evaluation value shows there is still a weak administrative process that needs to be considered, namely the planning documents of each regional apparatus organization (OPD) because the value of the Government Agency Performance Accountability System (SAKIP) of the agencies will determine the overall district SAKIP score.

Accountability is believed to change the condition of a government that cannot provide good public services and is corrupt towards a democratic government order. The implementation of an accountable government will receive support from the public. On the part of the organizers, accountability reflects the government's commitment to serving the public (Amin & Anwar, 2020). Performance accountability is the embodiment of accountability for the work of a person or organizational unit in managing the resources that have been given and controlled, in the context of achieving goals, through a medium in the form of periodic performance accountability reports. (Pratama et al., 2019).

Therefore, the government needs to carry out internal control as part of achieving accountability for the performance of government agencies. The internal control system consists of policies and procedures designed to provide management with reasonable assurance that it has achieved its goals and objectives. The internal control system is carried out to keep the organization's activities aligned with the original organizational goals. Effective internal control can encourage managers to make decisions that lead to organizational goals. The internal control system can control the budgeting process under the budget targets set (Pujiono et al., 2016). One of the factors that affect the accountability of the performance of government agencies is an effective control. This is because if the existing controls have been carried out properly, irresponsible parties will be increasingly narrow in their movement to commit fraud so that performance accountability will be better and organizational goals can be achieved maximally (Indrayani et al., 2017). Research result (Widyatama et al., 2017; Noviyana & Pratolo, 2018; Manullang & Abdullah, 2019) found that the internal control system affects performance accountability. The more effective the control carried out in an organization, the more it will minimize fraud so that performance accountability in an agency will increase. Then put forward the hypothesis:

H1: The internal control system has a positive and significant effect on performance accountability.

Accountability is also affected by the reporting system. The reporting system reflects the obligation to present and report the performance of all activities and resources that need to be accounted for (Respect et al., 2020). The reporting system is a financial report supplemented with other information related, either directly or indirectly, to the information provided by the financial accounting system, such as information about company resources. (Mulyadi & Dedy, 2018). Its purpose is to provide helpful information to investors, creditors, and other potential users to assist rational decision-making processes and provide information about economic resources. (Maruta, 2016). A sound reporting system is needed in order to be able to monitor and control the performance of managers in implementing the budget that has been set (Mikoshi, 2020). The government is obliged to provide financial information, and other information will be used for economic, social, and political decision-making by interested parties. A reporting system is needed to monitor the work of the responsibility center. The report must show the results of the work of the responsibility center and its budget so that the storage of the budget can be seen (HUTABARAT, 2020). Research result (Fitriana et al., 2018), (Kartika & Sukanto, 2019) and (Aprilianti et al., 2020) found that the reporting system affects performance accountability. The reporting system can affect the performance accountability of government agencies because it is a record that provides information related to reporting that must be submitted. Then put forward the hypothesis:

H2: The reporting system has a positive and significant effect on performance accountability.

Therefore, the objectives of this study are: 1) To analyze the internal control system on performance accountability. 2) To analyze the reporting system on performance accountability.

2 Research Method

This research approach is quantitative research as a research method based on the philosophy of positivism, used to examine specific populations or samples, data collection using research instruments, data analysis is quantitative/statistical to test predetermined hypotheses. The population in this study were employees of the finance department in 11 offices in Jeneponto Regency. Using the purposive sampling technique, the respondent criteria were selected in this study. The respondent was involved in the implementation of the budget using, compiling, and reporting the budget. The sample is the head of sub-section, treasurer, and financial staff in each service. So the total sample in this study was 33 people.

Table 1. Sample Criteria

No	The name of the Regional Apparatus Organization (OPD) Service in Jeneponto	Respondent
1	Department of Manpower and Transmigration	3
2	Department of Education and Culture	3
3	social services	3
4	Department of Commerce and Industry	3
5	Department of Communication, Informatics and Statistics	3
6	public Works Service	3
7	Library and Archives Service	3
8	Department of Transportation	3
9	environmental services	3
10	Office of Women and Children Empowerment	3
11	Government tourism office	3
Amount		33

The method that will be used for data collection in this study is the questionnaire method. Questionnaire method is a method of collecting data by providing a list of questions to respondents. Inferential statistical analysis in this study is multiple regression analysis. Multiple linear regression is linear regression where the dependent variable (variable Y) is associated with two more independent variables (variable X), then the statistical analysis used is the multiple linear regression equation with the following equation model:

$$Y = \alpha + \beta X_1 + \beta X_2 + e$$

Information :

- α : Constant.
- β : Regression Coefficient.
- e : Error.
- Y : Performance accountability
- X_1 : Internal control system
- X_2 : Reporting system

3 Result and Discussion

Result

Descriptive statistical analysis of the data is used to provide an overview of the data distribution of research variables, namely Internal Control (X1) and Reporting Systems (X2), and the performance accountability

variable (Y) has been carried out well, namely:

Table 2. Descriptive Statistical Test Results

	N	Minimum	Maximum	mean	Std. Deviation	Variance
Control Internal System Reporting Accountability Performance	33	28	40	34.30	3,653	13,343
Valid N (listwise)	33	16	25	22.30	2,494	6,218
	33	27	40	34.30	3,762	14,155

From table 2 above, it shows the average value (mean) of Internal Control (X1) 34.30 greater than the standard deviation of 3.653, Reporting System (X2) 22.30 greater than the standard deviation of 2.494, and Performance Accountability (Y) 34.30 greater than the standard deviation of 3.762. Thus it can be concluded that the distribution of data on all variables is said to be good because the average value of each instrument is greater than the standard deviation. Normality testing aims to determine whether each variable, both independent and dependent variables, are typically distributed or not. The normality test used in this study is the Kolmogorov-Smirnov Test. The data is usually distributed if the significant value of the Kolmogorov-Smirnov test is > 0.05 or significant. The results of the normality test of research data are as follows.

Table 3. Results of the Kolmogorov-Smirnov Test . One-Sample Normality Test

		Unstandardized Residual
N		33
	mean	0E-7
Normal Parameters, b	Std. Deviation	2.25606179
	Absolute	,141
Most Extreme Differences	Positive	,141
	negative	-,109
Kolmogorov-Smirnov Z		,812
asympt. Sig. (2-tailed)		,525

Based on the results of table 3 of the Kolmogorov-Smirnov Test, the significant value (Asymp. Sig) is 0.525. This indicates that the significant value is greater than the significance level of 0.05. So it can be concluded that the residual data tested usually are distributed, and the regression model meets the classical assumptions. The multicollinearity test determines whether the regression model found a correlation between the independent variables (independent). Multicorrelation in the regression can be seen from the tolerance value and variance inflation factor (VIF). The cut-off value is commonly used to show a multicollinearity value < 0.10 or the same as the VIF value > 10 (Ghozali, 2016).

Based on table 4, it can be seen that the results of the multicollinearity test show that there is no independent variable that has a tolerance value of less than 0.10 which means there is no correlation between the independent variables. The results of the calculation of the value of the variance inflation factor (VIF) also show the same results, there is no single independent variable that has a VIF value of more than 10. So, it can be concluded that there is no multicollinearity in the regression model.

Table 4. Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	X1	.951	1.424
	X2	.954	1.554

Coefficient test (2) is used to measure how far the model's ability to explain the variation of the dependent variable. The results of the coefficient of determination test (2) can be seen in the following table 5.

Table 5. Coefficient of Determination Test Results (R)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.800a	.640	.616	2,330

Table 5 shows the adjusted R-value of 0.616. This means that the internal control variable and the reporting system have a joint contribution of 61.6% ($kd = 0.640 \times 100\%$) to the dependent variable (Y), namely performance accountability. The remaining 38.4% is influenced by factors from other variables that are not included in the study. Simultaneous test or Y test is a joint test to test the significance of the Effect of Internal Control (X1), Reporting System (X2) together on the Performance Accountability variable (Y). F test is done by comparing F-count with F-table. The results of the F test can be seen in the following table 6:

Table 6. Simultaneous Test Results (F)

Model	Sum of-Squares	df	Mean-Square	F	Sig.
Regression	290.096	2	145,048	26,717	,000b
1 Residual	162,874	30	5,429		
Total	452,970	32			

Based on the simultaneous test results in table 5.19 above, it can be shown that F-count is 26.717 with a significant level of 0.000. The table value is 3.315 with a probability of 0.05 and degrees of freedom (df) '30 =. From this explanation, it is found that $F\text{-count} < F\text{-table}$ ($26.717 > 3.315$) and the significance value is less than 0.05 ($0.00 < 0.05$). This means that H_0 is rejected and H_a is accepted, which means that the Internal Control variable (X1) and the Reporting System (X2) together have a positive and significant influence on the Performance Accountability variable (Y). This test shows how far the influence is separately from each independent variable (X) dependent variable (Y). The following is a partial test (t-test):

Table 7. Partial test (t)

Model	Unstandardized Coefficients			t	Sig.
	B	Std. Error			
1 (Constant)	1,693	4.670	0.360	.721	
Internal Control System (X1)	.704	0.119	5.919	.000	
Reporting system (X2)	.379	0.174	2.177	.037	

From the calculation results in table 7, it can be made a multiple linear regression equation for this study:

$$Y = 1.683 + 0.704X_1 + 0.379X_2 + e$$

This model shows that the estimated regression coefficients X_1 and X_2 are positive. These results illustrate that there is a positive relationship between the Internal Control variable (X_1) on Performance Accountability (Y) and the Reporting System variable (X_2) on Performance Accountability (Y), which means that the more Internal Control and Reporting System increases, the Performance Accountability will increase. It can be explained that the internal control variable (X_1) has a positive regression coefficient of 0.704 which means that if the internal control increases by 1%, the performance accountability will increase by 0.106% when the other independent variables do not change (constant). The reporting system (X_2) has a positive regression coefficient of 0.379. If the reporting system increases by 1%, the performance accountability will increase by 0.379% when the other independent variables do not change (constant). The multiple linear regression coefficients have a constant value of 1.683, meaning that when the internal control and reporting system variables are equal to zero, the magnitude of performance accountability is 1.683. Based on the results of the t-test in table 5.20 above, it can be seen that the Internal Control variable (X_{1c}) has an at-value of 5.919 with a significant level of 0.00. The table value is 2.039 with a probability of 0.05 and degrees of freedom (df) = 31. From this explanation, it is obtained that count < table (5.919 < 2.039) and the significance value is greater than 0.05 (0.00 > 0.05). This means that H_0 is rejected and H_a is accepted, which means that Internal Control has a significant positive effect on Performance Accountability in the Jeneponto Regency Regional Apparatus Organization. Furthermore, the Reporting System variable has a count value of 2.177 with a probability of 0.05 and a degree of freedom (df) = 31. From this explanation, count > t-table (2.177 > 2.039) and the significance value is less than 0.05 (3.7 < 0.05), it can be concluded that H_0 is rejected and H_a is accepted, which means that the Reporting System has a significant positive effect on Performance Accountability in the Regional Apparatus Organization of Jeneponto Regency.

Discussion

The results of the study state that internal control partially has a significant positive effect on Performance Accountability. Thus, the hypothesis in this study, which states that Internal Control has a significant positive effect on Performance Accountability at the Jeneponto Regency regional apparatus organization, is accepted. The results of this study indicate that internal control is a matter that is very relevant and is considered necessary within the Jeneponto Regency Government Agencies because it will affect Performance Accountability. Internal control will encourage individuals who have authority to be more effective and do their best to manage a budget. Research result (Widyatama et al., 2017), (Noviyana & Pratolo, 2018) and (Manullang & Abdullah, 2019) found that the internal control system affects performance accountability. The more effective the control carried out in an organization, the more it will minimize fraud so that performance accountability in an agency will increase. This study also states that the Reporting System partially has a significant positive effect on Performance Accountability. Thus, the hypothesis in this study which states that the Reporting System has a significant positive effect on Performance Accountability in the Jeneponto Regency regional apparatus organization, is accepted. The results of this study indicate that the existence of a Reporting System with good accountability will provide reliable information so that the agency's performance can be adequately monitored. The Reporting System will encourage individuals who have authority to be more effective and do their best to manage a budget. Research result (Fitriana et al., 2018), (Kartika & Sukamto, 2019) and (Aprilianti et al., 2020) found that the reporting system affects performance accountability. The reporting system can affect the performance accountability of government agencies because it is a record that provides information related to reporting that must be submitted.

4 Conclusion

Based on the results of the research described previously, it can be concluded that the internal control system and reporting system have a significant positive effect on Performance Accountability at OPD Jeneponto

Regency. This research is used as input for the government in improving Performance Accountability in Regional Apparatus Organizations in Jenepono Regency; then, further researchers are advised to obtain data through other sources such as interviews from several respondents to describe the actual situation avoid filling out inaccurate questionnaires.

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