

## Factors Influencing the Performance Accountability of Government Agencies, Literature Review

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### ABSTRACT

This study aims to analyze the factors that influence the performance accountability of government agencies through a literature review. Based on the results of the study, it was found that the implementation of performance-based budgeting, regional financial management information systems, clarity of budget targets, understanding of accounting, compliance with regulations, and accounting control are the main variables that influence performance accountability. The results of the study indicate that the implementation of performance-based budgeting makes a significant contribution to accountability, especially if supported by appropriate planning, implementation, and reporting. Clarity of budget targets plays an important role in facilitating the accountability process, while understanding of accounting and compliance with regulations strengthen transparency and accountability. An effective financial management information system also has a positive impact, although the implementation of the regional government accounting system shows varying results. These findings underline the importance of planned financial management, consistent implementation, and transparent reporting to achieve optimal performance accountability. This study contributes to improving good governance by emphasizing strategic factors that need to be considered by government agencies

## **INTRODUCTION**

Budget planning, as regulated in Law No. 25 of 2004 concerning the National Development Planning System, is a systematic process to determine actions to be taken in the future through a series of strategic choices considering the availability of resources. In the context of regional financial management, the planning stage is very important because all budget needs for programs and activities are formulated in this process. The success of budget implementation and realization is highly dependent on the quality of planning carried out.

The budget has a strategic function, namely to formulate policy goals and objectives that are in line with the organization's vision and mission, develop program and activity plans, identify financing alternatives, allocate funds efficiently, and determine performance indicators and priority scales for achievement. However, inadequate planning can lead to slow budget implementation, low budget absorption rates, and difficulties in the accountability process.

Performance accountability is the government's obligation to provide accountability, explain, and demonstrate performance in accordance with the public mandate. This includes transparency in planning, implementing, and evaluating organizational performance. In the context of budget management, accountability is an important indicator to evaluate the extent to which government agencies are able to implement planned programs efficiently, economically, and accountably.

The public budgeting system in Indonesia has undergone various changes, one of which is the implementation of Government Accounting Standards to improve accountability and efficiency in state financial management. However, implementation in the field shows that there are still challenges such as budgets that are not properly absorbed, thus reducing the effectiveness of public fund management. This highlights the need for continuous performance evaluation to improve the quality of budget planning and management.

## **LITERATURE REVIEW**

### **Public Sector Accounting**

Public sector accounting serves as a provider of information that supports accountability and management control in government organizations and the wider community. In this context, public sector accounting becomes the main instrument for recording, processing, and reporting financial activities aimed at supporting the achievement of the organization's vision. As a non-profit organization, the public sector operates in a complex environment with high demands for transparency and accountability. A good accounting system helps public sector organizations fulfill their responsibilities to stakeholders, including the community as beneficiaries.

### **Performance Based Budget (ABK)**

Performance-Based Budgeting (PBB) is a budgeting method that links the costs incurred for each activity with the benefits or results obtained. ABK is designed to ensure that each allocated budget can be accounted for in accordance with the predetermined performance targets. In this approach, expenditure (output) is directly linked to results (outcome), so that the principles of efficiency, effectiveness, and economy become the benchmarks for its success. ABK is expected to be a solution to various budgeting problems in the public sector, such as low levels of budget absorption and inefficiency in program implementation.

### **Public Accountability**

Public accountability is the obligation of the trustee (agent) to provide reports, present, and disclose all activities to the trustee (principal). In the context of government, public accountability reflects the extent to which government agencies are able to meet the expectations of the community in carrying out their duties transparently and responsibly. This accountability includes reporting on the results of the use of public resources and performance achievements achieved according to the targets that have been set.

### **Government Performance Accountability**

To create good government performance accountability, an effective, coordinated system is needed that refers to clear rules. This system must be able to guarantee that the planning, budgeting, implementation, and performance reporting processes are carried out in an integrated manner. In addition, continuous evaluation is needed to ensure that government agencies not only achieve performance targets but also provide added value to the community. This literature review provides a relevant theoretical basis in understanding the various factors that influence the performance accountability of government agencies, ranging from the implementation of public sector accounting systems, performance-based budgeting approaches, to the importance of public accountability as the core of good governance.

## **METHODOLOGY**

This study uses the literature review method as the main approach. This method aims to review and analyze various literature and previous studies that are relevant to the topic of factors that influence government agency performance accountability. The data used comes from secondary sources, including scientific journals, books, and official documents, which are collected systematically to identify patterns, relationships, and research gaps related to performance accountability.

The analysis process is carried out by selecting relevant literature, grouping findings based on the variables discussed, and formulating conclusions that support the discussion of this research. This approach aims to provide comprehensive insights and strengthen the theoretical basis in answering research problems.

## **RESULTS AND DISCUSSION**

The results of this study refer to various literatures that discuss the factors that influence the performance accountability of government agencies. Based on a review of seven previous studies, it was found that the implementation of performance-based budgeting, financial management information systems, clarity of budget targets, understanding of accounting, compliance with regulations, and accounting control are the main variables that significantly influence performance accountability. Research by Yohanes Y. Subiyantoro (2011) shows that the implementation of performance-based budgeting and regional financial management information systems have a significant effect on the performance of the Mojokerto City Planning and Development Agency (BAPPEKO). This is also in line with research by Feriana Anggraeni and Suji Abdullah Saleh (2020) which shows that the implementation of performance-based budgeting in Bandung City has a contribution of 61.7% to performance accountability, although there are obstacles in the conformity between budget planning and implementation. However, research by Ningrum Ferniyanti, Suratno, and Edy Supriyadi (2019) found that only budget implementation and evaluation had a significant effect on performance accountability, while budget planning did not show a significant effect.

In addition, research shows that clarity of budget targets plays an important role in facilitating the accountability process. This was stated by Sherillia Septiriane and Yon Nusdal (2012), who emphasized that the clearer the budget objectives, the greater the influence on performance accountability. Clarity of budget targets also allows for transparency in budget preparation and implementation, which strengthens agency accountability. The regional financial management information system has also been shown to be significant in supporting performance accountability, as reported by Subiyantoro (2011). However, research by Esha Selvia Ayu Sella, Maslichah, and Dwiyani Sudaryanti (2020) shows that the regional government accounting system partially has no significant effect, indicating the need for an evaluation of the implementation of the system.

Other variables that also have a significant influence are accounting understanding, compliance with laws and regulations, and accounting control, as stated by Sella et al. (2020). A good understanding of accounting principles and compliance with regulations allows for more transparent and responsible financial management. In the context of budget effectiveness, Putri Safitri's (2022) research shows that the effectiveness of budget realization has a positive influence on performance accountability, which emphasizes the importance of budget implementation that is directed and in accordance with the initial planning. Siti Khoiriyah (2021) also stated that every stage in budget management, from planning to reporting, has a significant influence on accountability.

Overall, the results of this discussion confirm that the accountability of government agency performance is influenced by strategic factors involving aspects of planning, implementation, and budget reporting. Implementation of performance-based budgets, clarity of budget targets, understanding of accounting, compliance with regulations, and strengthening of financial information systems are the keys to achieving optimal accountability. These findings provide important insights for government agencies in improving transparency and accountability performance through strengthening integrated financial systems and management. Thus, performance accountability can be an effective tool to support good governance.

## **CONCLUSIONS AND RECOMMENDATIONS**

Based on the results of the literature review and the discussion that has been explained, it can be concluded that the accountability of government agency performance is influenced by various interrelated strategic factors. These factors include the implementation of performance-based budgeting, clarity of budget targets, financial management information systems, understanding of accounting, compliance with regulations, and accounting control. Research shows that the implementation of performance-based budgeting makes a significant contribution to increasing accountability, although its effectiveness is often influenced by implementation constraints between planning and implementation.

In addition, clarity of budget targets is an important factor that supports transparency and facilitates the accountability process. A good understanding of accounting principles and compliance with regulations have also been shown to play an important role in driving performance accountability. An effective financial management information system makes a significant contribution, although the implementation of the local government accounting system still requires further evaluation to improve its influence on accountability.

Overall, to achieve optimal performance accountability, planned financial management, appropriate implementation, and transparent reporting are required. Strengthening the implementation of performance-based budgets, clarity of budget objectives, and integration of information systems and financial management are strategic steps that must be optimized. These findings are expected to be a guide for government agencies in improving good governance and realizing better transparency and accountability in financial management.

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