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The Effect Of Regional Original Income, Regional Financial Management And Accountability On Development Performance Of Mamuju District

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Abstract

One very crucial aspect of decentralization (regional autonomy) is the issue of fiscal decentralization. Conceptually, fiscal decentralization requires that each authority given to the regions must be accompanied by financing that is in accordance with the burden of that authority. In other words , the central government is obliged to guarantee financial resources for the delegation of tasks and authority from the center to the regions. Responding to these problems, the government issued Law Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments. Based on the Mamuju District Government Realization Report for 2016-2019, that local revenue has increased every year from 2016 to 2019, but for balancing funds there have been fluctuations where in 2016-2017 it has decreased and from 2018-2019 there has also been a decrease in the amount of funds. Good regional financial management will affect the progress of a region. Regional financial management that is carried out economically, efficiently and effectively or fulfills the principles of value for money as well as participation, transparency, accountability and justice will be able to encourage economic growth. Good regional financial management not only requires reliable human resources but also must be supported by adequate regional financial capacity. The ability level of a region can be measured by the amount of regional revenue.

Keywords: Regional Original Income, Regional Finance, Accountability, Performance

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INTRODUCTION

Local governments are currently faced with many demands both internally, namely increasing optimal performance and externally, namely the demands of the community who want local governments to be able to create the goals of a prosperous regional community as an implication of the implementation of regional autonomy which prioritizes performance accountability and improvement of public services (Halim, 2006) . The performance of government agencies is now receiving more attention because the public often monitors every government plan in one period. Communities began to question the value they received for the services provided by government agencies. Even though the government expenditure budget is increasing, it seems that people are not satisfied with the quality of goods and services provided by government agencies (Mone, 2013).

Performance measurement is very important to assess the accountability of organizations and managers in producing better public services. Accountability is not just the ability to show how public money is spent, but includes the ability to show that public money has been spent economically, efficiently and effectively. Measuring the success or failure of a government agency is more emphasized on the agency's ability to absorb the budget. In other words, an institution will be declared successful if it can absorb 100% of the government's budget, even though the results and impacts achieved from the implementation of the program are still far below the standard (Mahsun, 2006).

Based on Law Number 33 of 2004 concerning Financial Balance between the Center and the Regions Article 1 number 18 that regional original income is income obtained by the regions which is collected based on regional regulations in accordance with statutory regulations. The regional income sector plays a very important role, because through this sector it can be seen how far a region can finance government activities and regional development.

Regional financial policy is directed at increasing regional own-source revenue as the main source of regional income that can be used by regions in implementing regional governance and development according to their needs in order to minimize dependence on obtaining funds from top-level government (subsidies). Thus efforts to increase regional original income should be seen from a broader perspective not only in terms of each region but in relation to the unity of the Indonesian economy (Mamesah, 1995).

Balancing Funds are funds originating from revenues from the State Revenue and Expenditure Budget (APBN) allocated to regions to finance regional needs. Balancing Funds are also called transfers or grants. Transfers are a consequence of uneven regional finances and economies. In addition, the purpose of the transfer is to

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reduce horizontal finance between regions, reduce the vertical gap between the Center and the Regions, overcome the problem of inter-regional public service effects and to create stability in economic activity in the regions (Abdullah & Halim, 2003).

Regional government funding sources in the context of balancing central and regional government finances are carried out on the basis of decentralization, deconcentration and assistance. Thus there is a significant transfer in the state budget from the central government to regional governments. Therefore local governments can freely use these funds to provide better services to the community (Abdullah & Halim, 2003).

Local government efforts to explore regional capabilities can be measured using ratio analysis of local government finances. Measurement of local government performance can be used as an assessment of the accountability and capability of a region administering regional autonomy. Thus, an area whose financial performance is stated to be good means that the area has the financial ability to finance the implementation of regional autonomy (Sularso & Restianto, 2011).

In addition to regional financial management, accountability is needed to improve regional development performance. According to Abdul (2016: 56) in carrying out public accountability, local governments are obliged to provide information as a form of fulfilling public rights. Public accountability is the obligation of the trustee (agent) to provide accountability, present, report and disclose all activities and activities that are his responsibility to the trustee (principal) who has the right and authority to ask for this accountability (Muindro, 2012: 14).

Accountability requires that decision makers behave in accordance with the mandate they receive. Important aspects that must be considered are: 1) The legality aspect of regional revenues and expenditures that every transaction made must be traceable to the legal authority. 2). Aspects of good regional financial management (sterwarship), protection of physical and financial assets prevents waste and mismanagement.

Government financial reports must provide information that can be used by users of financial reports to assess government accountability in making economic, social and political decisions. Accountability is defined as the relationship between those who control and regulate the entity and those who have formal power over those controlling parties. This requires an accountable third party to provide explanations or reasonable reasons for all activities carried out and business results obtained in connection with the implementation of a task and the achievement of a particular goal. The context of governance, government accountability cannot be known without the government informing the people about information regarding the collection of resources and sources of public funds and their use.

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According to Sari & Supadmi (2016) in a study entitled "The Influence of Regional Original Income and Capital Expenditure on Increasing the Human Development Index", it is said that Regional Original Income and Capital Expenditures simultaneously have a significant effect on the Human Development Index. Furthermore, according to Mone and friends (2013) that regional financial management has a significant effect on regional economic performance in Pangkep Regency. Other research also by Juliarini (2018) shows that regional income performance has a significant effect on increasing the human development index.

Based on interviews and preliminary observations of residents of Mamuju district, it shows that the performance of regional development has not been very good, because some people have not felt the development carried out by the local government, this is shown by the fact that there are still many roads that have not been paved and roads that have lots of potholes and damage that have not been repaired, besides that public facilities and infrastructure are still not available to all people .

Another phenomenon that is happening at the moment shows that the management of regional finances has not improved but has worsened. We also get information that it seems that corruption in our financial leaks can reach 20 to 40%. The funds should be maximized for development programs such as infrastructure. Apart from that, almost every year there is a similar phenomenon where there are repeated acts of budget irregularities in the same offices/fields where transparency practices in the local government are also one of the causes of the results of BPK examinations in the Mamuju District government which reveal that there are findings of irregularities in the use of the budget of four SKPDs which have caused regional financial losses.

RESEARCH METHODS

This study uses a quantitative approach which intends to explain the position of the variables studied and the relationship between one variable and another (Sugiyono , 2016). This study is intended to test the hypotheses that have been formulated previously. This study will explain the causal relationship between variables through hypothesis testing. In this study, the analytical method used was the multiple regression analysis model using the IBM SPSS Version 21 program . 1 Mamuju, West Sulawesi.

The population in this study amounted to 68 respondents which included Budget Users/Budget User Authorities and Financial Administration Officers. in 34 Regional Apparatus Organizations (OPD) in Mamuju District. While the research sample totaled 68 respondents which included Budget Users/Power of Budget Users and Financial Administration Officers in Mamuju District.

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Data collection was carried out in various settings (Sugiyono, 2016), namely: 1). Observation, namely a form of research conducted by researchers by making observations, either face to face or indirectly, such as giving questionnaires to respondents. 2). Interview, which is one technique of data collection. Implementation can be done directly facing the interviewees, or indirectly, such as providing a list of questions to be answered on another occasion. The instrument used can be in the form of an interview guide or a checklist. 3). Documentation, namely data collection by collecting documents, literature, scientific essays that are related to this research and 4). Questionnaires, namely a way of collecting data by providing data or distributing a list of questions to respondents, with the hope that they will respond to questions in the form of questionnaires that have been distributed to be filled out to respondents.

RESEARCH RESULTS AND DISCUSSION

A. The Effect of Regional Original Income on Development Performance

The results of the study show that the higher the regional original income, the higher the development performance. The results of the study also show that respondents' responses to local original income on development performance show that the average response of respondents is high/good, although there are still those who show doubtful and disapproving responses to development performance that are currently being felt towards development performance. Based on the results of interviews with several ASNs in Mamuju District who were met, they said that Regional Original Income related to development performance showed that Regional Original Income was already good, so it needed to be increased so that development performance could be even better.

This is shown by the results of revenue from regional taxes which are very good and revenue from the regional levy sector is according to the target that has been set. In addition, BUMD and BUMN as well as the private sector always provide returns on equity participation to local governments and the realization of other regional original income is in accordance with the targets that have been set.

Another thing related to development performance is shown in carrying out activities, local governments always measure the amount of resources used such as budget (funds), human resources, equipment, materials and other inputs as well as possible, which are used to carry out activities. In addition, in carrying out activities, local governments always measure as best as possible the outputs directly resulting from an activity implementation, both physical and non-physical and in the implementation of activities, they always measure the achievements of various activities in a program that has been completed. Another thing also shows that every implementation of policies/programs/activities always pays attention to the impact on society.

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According to Mardiasmo (2002) regional original income is regional revenue from the regional tax sector, regional levies, results of regionally owned companies, results of separated regional wealth management, and other legal income. According to Law Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments it is stated that regional revenue sources consist of Regional Original Revenue, Tax Sharing and Non-Tax.

This result is supported by the opinion expressed by Rondonuwu and friends. (2015) states that the ability to manage finances carried out by local governments is reflected in the Regional Revenue and Expenditure Budget such as the ability of local governments to increase their regional revenues and are able to finance regional development and social services provided to the community. The results of this study are in line with previous studies examined by Wenny (2012) which stated that legitimate local revenue dominantly influences the financial performance of district and city governments, while local taxes, regional fees, and company results and regional assets do not dominantly affect financial performance in district and city governments.

B. The Effect of Regional Financial Management on Development Performance

The results of the study show that if the Regional Financial Management is getting better, it will improve development performance. The results of the study also show that respondents' responses regarding Regional Financial Management to development performance show that the average response of respondents is high/good, although there are still those who show doubtful and disapproving responses to the currently perceived development performance towards Regional Financial Management.

Based on the results of interviews and observations with employees who were met, they said that Regional Financial Management was good enough so that it had an effect on development performance. This is shown by the management of regional finances given to employees who have experience and high integrity and honesty so that opportunities for corruption can be minimized. And also in making regional financial policies the local government is always open so that it can be known and monitored by the DPRD and the public. Apart from that, in the Regional Revenue and Expenditure (APBD) of Mamuju District , the budget that has been achieved is often evaluated and always pays attention to the concept of value for money in the implementation of regional government wheels.

Another thing related to development performance is shown in carrying out activities, local governments always measure the amount of resources used such as budget (funds), human resources, equipment, materials and other inputs as well as possible, which are used to carry out activities. In addition, in carrying out activities,

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local governments always measure as best as possible the outputs directly resulting from an activity implementation, both physical and non-physical and in the implementation of activities, they always measure the achievements of various activities in a program that has been completed. Another thing also shows that every implementation of policies/programs/activities always pays attention to the impact on society.

Regional autonomy is a freedom that the region has to make regional regulations, formulate and implement policies, and manage regional finances independently (Sujarweni, 2015). Widjaja revealed that the reason for implementing the autonomy policy in the regions was because the central government was unable to oversee regional development as a whole, therefore the central government delegated authority to regional governments to regulate and manage their regional interests independently. The implementation of the regional autonomy policy causes the regions to be able to explore and develop the potentials of the regions (Widjaja, 2002)

The results of this study are supported by the opinion expressed by Sularso and Restianto (2011) that good regional financial management will affect the progress of a region. Regional financial management that is carried out economically, efficiently and effectively or fulfills the principles of value for money as well as participation, transparency, accountability and justice will be able to encourage economic growth. Good regional financial management not only requires reliable human resources but also must be supported by adequate regional financial capacity. The ability level of a region can be measured by the amount of regional revenue. Local government efforts to explore regional capabilities can be measured using ratio analysis of local government finances. Measurement of local government performance can be used as an assessment of the accountability and capability of a region administering regional autonomy. Thus, a region whose financial performance is stated to be good means that the region has the financial capacity to finance the implementation of regional autonomy.

This is reinforced by research according to Mone and friends (2013) that regional financial management has a significant effect on regional economic performance in Pangkep Regency. Another study also by Juliarini (2018), shows that regional income performance has a significant effect on increasing the human development index.

C. The Effect of Accountability on Development Performance

The results of the study show that if accountability is getting better, it will improve development performance. The results of the study also show that

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respondents' responses regarding accountability to development performance show that the average response of respondents is high/good, although there are still those who show doubtful and disapproving responses to the current perceived development performance towards accountability.

Based on the results of interviews and observations with several employees who were met, they said that Regional Original Income in Mamuju District had been going well but still needed improvements so that development performance could be further enhanced. This is shown by the conformity between the implementation of the activity manager and the standard implementation procedures that have been going well. In addition, the local government provides severe sanctions if there are errors or omissions in the implementation of activities and always implements measurable outputs and outcomes.

Another thing related to development performance is shown in carrying out activities, local governments always measure the amount of resources used such as budget (funds), human resources, equipment, materials, and other inputs as well as possible, which are used to carry out activities. In addition, in carrying out activities, local governments always measure as best as possible the outputs directly resulting from an activity implementation, both physical and non-physical and in the implementation of activities, they always measure the achievements of various activities in a program that has been completed. Another thing also shows that every implementation of policies/programs/activities always pays attention to the impact on society.

Public accountability is the principle of public accountability which means that the budgeting process starting from planning, preparation and implementation must really be reported and accounted for to the DPRD and the community (Mahsun, 2006). The results of this study are supported by the opinion expressed by Abdul Halim (2016) that implementing good accountability will improve the development performance of a region. In carrying out public accountability, local governments are obliged to provide information as a form of fulfilling public rights. Public accountability is the obligation of the fiduciary (agent) to provide accountability, present, report and disclose all activities and activities that are his responsibility to the fiduciary (principal) who has the right and authority to ask for this accountability (Muindro, 2012). These results are reinforced by the research of Auditya & Lismawati (2013). Where the results of the study show that accountability has a significant effect on local government performance.

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D. The Influence of Regional Original Income, Regional Financial Management and accountability on development performance

The results of the study show that if local revenue, regional financial management and accountability get better together, the development performance will also get better. The results of the study also show that respondents' responses regarding local own-source income, regional financial management and accountability for development performance show that the average response of respondents is high/good, although there are still those who show doubtful and disapproving responses to the currently perceived development performance towards regional original income, regional financial management and accountability.

Based on Law Number 33 of 2004 concerning Financial Balance between the Center and the Regions Article 1 number 18 that "Regional original income, hereinafter referred to as PAD, is income obtained by the regions which is collected based on regional regulations in accordance with statutory regulations". The regional income sector plays a very important role, because through this sector it can be seen how far a region can finance government activities and regional development. In addition, according to Sularso and Restianto (2011) that good regional financial management will affect the progress of a region. Regional financial management that is carried out economically, efficiently and effectively or fulfills the principles of value for money as well as participation, transparency, accountability and justice will be able to encourage economic growth. And in addition to regional financial management, accountability is needed to improve regional development performance. According to Halim (2016: 56). In carrying out public accountability, local governments are obliged to provide information as a form of fulfilling public rights. Public accountability is the obligation of the trustee (agent) to provide accountability, present, report and disclose all activities and activities that are his responsibility to the trustee (principal) who has the right and authority to ask for this accountability (Muindro, 2012:).

CLOSING

Regional original income has an effect on development performance, which means that the higher the regional original income, the higher the development performance in Mamuju District. Regional financial management influences development performance, which means that better regional financial management will increase development performance in Mamuju District. Accountability affects development performance, which means that better accountability will improve development performance in Mamuju District. Regional Original Income, Regional Financial Management and Accountability jointly affect Development Performance, which means that if Regional Original Income, Regional Financial Management and

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Accountability are getting better together, it will improve development performance in Mamuju District.

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