

Budget Planning and Internal Control on Local Financial Accountability: Mediating Budget Absorption

Rahmawati ^{1*} Ibrahim ² Irma ³ Bunyamin ⁴ Ahmad Dahlan ⁵

^{*1} Universitas Muhammadiyah Palopo, South Sulawesi, Indonesia

² STIEM Bongaya Makassar, South Sulawesi, Indonesia

³ Universitas Abdul Azis Lamadjido, South Sulawesi, Indonesia

⁴ STIE-YPUP Makassar, South Sulawesi, Indonesia

⁵ Universitas Fajar, South Sulawesi, Indonesia

Email

rahmawati@umpalopo.ac.id ^{1*}

Received: December, 07, 2023

Revised: January, 21, 2024

Accepted: February, 16, 2023

Abstract

This study analyzes budget planning and internal control of regional financial accountability through budget absorption at the Regional Planning, Development, Research and Development Agency of South Sulawesi Province. The research design used in this study is Correlational Research and path analysis with a quantitative approach to determine the direct and indirect effects on the variables studied. The sampling of this research was conducted by purposive sampling method with a total sample of 102 employees. The results showed that budget planning, internal control, and budget absorption positively affected accountability in the Regional Planning, Development, Research and Development Agency of South Sulawesi Province. The results of this study can also be used for researchers and further researchers as well as parties who need it as a source of reference and helpful information in adding insight into issues related to budget planning, internal control, financial accountability, and budget absorption.

Keywords: Budget Planning; Internal Control; Budget Absorption; Accountability.

DOI : <https://doi.org/10.57178/atestasi.v7i1.755>

p-ISSN : 2621-1963

e-ISSN : 2621-1505

© Copyright: ATESTASI: Jurnal Ilmiah Akuntansi (2024)

This is an Open Access article distributed under the terms of the Creative Commons Attribution 4.0 International License. Site Using OJS 3 PKP Optimized.

Introduction

Government accountability is strongly influenced by the importance of budget management, starting from budget structuring, implementation, and reporting. This is closely related to the government's goal of providing good services to its citizens and creating a good society and governance (Dewi, 2018). Many government agencies, both central and local, compete to show good performance with high budget absorption rates (Safriansah et al., 2021). Government budgets must be used effectively and efficiently to deliver resources to various initiatives (Podger et al., 2018). Creating a budget is called budgeting. It allocates funds for each plan and action in monetary units (S. Purnamasari et al., 2023). Performance-based budgeting, also known as performance-based budgeting, links organizations' expenditures in the public sector to their performance based on available performance

information. The approach uses performance metrics, results-based budgeting, and performance-based contracting to guide resource allocation, measure program effectiveness, and improve decision-making. (Oriakpono et al., 2023).

According to Government Accounting Standard Number 71 of 2010, the budget absorption report is included in the local government financial statements after the budget preparation is completed. Wijayanti and Setyawan, (2022) mentioned that measuring its relevance and being accountable is essential. Systematic internal controls such as the Government Internal Control System (SPIP) are regulated by PP No. 60/2018 to ensure the reliability of local government financial reporting and compliance with laws and regulations. The APBD is the primary source of funds for the government to carry out its duties. It also serves as a monitoring tool that shows how public resources are distributed according to legislative decisions. Local governments must implement accountability governance during the budget execution through solid and transparent internal controls regulated by Permendagri 13/2006 (Hendrik Latief et al., 2023).

Significant funds require big responsibilities. The allocation of Central Government funds for South Sulawesi Province in 2020 reached Rp20.60 trillion in the first quarter, up 1.65 percent from the previous year. The absorption rate of funds in the first quarter of 2020 also rose to 15.94 percent from 14.32 percent in the previous year. Increased budgets require responsible financial management, with accountability covering the entire process from planning to financial reporting. Achieving accountability is a critical objective in public sector reform that describes an organization's success or failure in achieving goals regularly Martini et al. (2019).

In 2016, the Corruption Eradication Commission (KPK) received 169 complaints of alleged misappropriation of funds in South Sulawesi (KPK, 2016). These included fraudulent activities, quantity or price increases, non-compliant accountability reports, unauthorized expenditures, and use of funds for personal or group interests. This demonstrates a need for more financial accountability, as shown by the budget leakage due to the disbursement of funds that do not match the budget allocation. Budgets must be adhered to by fund recipients. This encourages them to record transactions to support accountability, but in many cases, people believe that local government agencies are not responsible for budget management.

To ensure public accountability is assured, a proper accounting system is required. This system is essential to transparent, fair, effective, and efficient regional financial management. Implementing the Regional Financial Accounting System (SAKD) is crucial for local governments; it is expected to realize accountability in regional financial reporting (Surjono & Nova Roslina Firdaus, 2017). According to Sari et al. (2020), accountability reflects an openness to the public about government financial management that is prepared according to accounting standards so that it can be understood by the public and decision-makers (government). Mauro et al. (2020) found that budget planning affects accountability, where implementing management principles from planning to performance evaluation on performance-based budgets increases agency performance accountability. However, research by Sari et al. (2020) shows that the presentation of regional financial reports that are different from government accounting standards and limited understanding in several government work units can affect the transparency and accountability of regional financial report management. Research by Sweetenia et al. (2019) also emphasized that the presentation of

timely, accurate, and informative regional financial reports helps decision-making and shows accountability, while errors in the use of information can be prevented by careful presentation.

According to the World Bank, developing countries like Indonesia have a similar problem in budget absorption called "slow backloaded," where budget absorption is low at the beginning to middle of the fiscal year but increases sharply at the end. This problem is a focus of attention for local governments, as in the South Sulawesi Provincial Government. In 2019, the realization of the South Sulawesi APBD only reached 54.46 percent or Rp5.39 trillion of the total 2019 South Sulawesi APBD of Rp9.9 trillion until the third quarter. The pile of fund disbursements in the fourth quarter reflects the mismatch of budget absorption with the established activity plan. Although funds are pretty optimal, the state budget implementation still shows a positive trend in income and expenditure. Previous research also shows that budget planning positively affects village officials' performance accountability (Zainab, (2020). Internal supervision, budget target clarity, and turnover of OPD heads jointly affect OPD performance accountability, with internal supervision playing a partial and significant role in OPD performance accountability (Wijayanti & Setyawan, 2022). This research replicates previous research conducted by Sari et al. (2020) but adds the budget absorption variable as an intervening variable. In addition, this study also uses a different population, sample, and research period.

The budget has a crucial role as a management tool. With a budget, management can plan, organize, and evaluate the course of an activity Zainab (2020). The budget functions for planning, supervision, coordination, assessment, policy, and motivation and as a political instrument to ensure the success of local government-run programs. As stated by Zainab (2020), there are four essential elements in planning: (1) Planning means choosing, which is the process of selecting resources that will be used to achieve the desired goals; (2) Planning is a resource allocation tool, where there is a process of allocating resources to achieve the desired goals. This choice determines development priorities in terms of sectoral focus and regional location; (3) Planning reflects objectives with targets or performance measures to be achieved; and (4) Planning is a necessary step for the future.

Internal control is a process influenced by the activities of the board of directors, management, or other employees, designed to provide reasonable assurance (Zakirova et al., 2023). The American Institute of Certified Public Accountants (AICPA) has revised the Statement on Internal Control, effective for audits of financial statements since 1 January 1997 (GAVRILA & STEFAN, 2023). Meanwhile, according to IAPI in Mokoginta et al. (2017), internal control is defined as a process carried out by the board of commissioners, management, and other personnel in an entity, designed to provide reasonable assurance about the achievement of three objectives: reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws. Internal supervision is a form of oversight of government activities and resources to gain confidence in the effectiveness and efficiency of the organization and local government compliance. This form of internal supervision is realized in SPIP (Government) by PP No. 60/2018. SPIP elements include the supervisory environment, risk assessment, supervisory activities, information and communication, and internal control monitoring. It aims to assure the reliability of government financial reporting and local government compliance with laws and regulations (Putri et al., 2019).

Budget absorption, both in central and local governments in Indonesia, has similar conditions. According to Handayani et al. (2022), budget absorption refers to achieving desired estimates within a certain period, which is then observed at a certain point in time, also known as budget realization. In general, people often refer to it as budget disbursement. In the context of government entities or public sector organizations, budget absorption reflects the disbursement or realization of the budget recorded in the Budget Realization Report (LRA) at a particular time. Digdowiseiso (2022) explains that budget absorption is one of the stages in the budget cycle, which includes planning, stipulation, and ratification of the budget by the House of Representatives (DPR/DPRD), budget absorption, budget monitoring, and budget accountability.

According to Zainab (2020), the term "accountability" comes from the English "accountability," which indicates responsibility or obligation to be accounted for or held accountable. In this context, accountability is defined as the obligation of a person, legal entity, or collective leader of an organization to explain and be responsible for performance and actions to those entitled or authorized to request information or accountability. Meanwhile, according to (Oriakpono et al., 2023), improving the planning and supervision of activities through improving the public sector accounting system is expected to increase the transparency, efficiency, and effectiveness of local governments, especially in conveying information and disclosures about local government financial activities and performance, to achieve performance accountability of government agencies.

Concerning the division of types of accountabilities, Zainab (2020) divides accountability into two types, namely: (1) Vertical Accountability and (2) Horizontal Accountability. The guidelines for preparing performance accountability reporting for government agencies state that performance accountability is "a manifestation of the obligation of a government agency to account for the success and failure of the implementation of the organization's mission in achieving predetermined goals and objectives through a periodic accountability system." It is emphasized that increased accountability will occur if supported by an accounting system that produces timely, accurate, and accountable information (Ayu et al., 2023).

According to (Safriansah et al., 2021), The influence of budget planning and execution on budget absorption at the Forest Area Consolidation Center in the Sumatra Region is stated. Research by Ramadhani et al. (2019), which raised the variables of Regulation, Budget Politics, Budget Planning, Human Resources, and Procurement of Goods / Services on the Absorption of Expenditure Budgets in OPD showed the results of statistical analysis showed that the hypothesis was accepted, concluding that budget planning affected the absorption of expenditure budgets. Partial statistical test results show that budget planning has not disrupted budget absorption. Budget managers can plan work programs/activities in one fiscal year, ensuring the budget absorption target is achieved. This exemplary level of respondent achievement proves that budget planning has a significant positive effect on budget absorption. Planning factors are dominant in influencing the tendency of delays in budget absorption.

Based on the results and discussion above, it can be concluded that the financial management process has an essential contribution to government performance accountability, especially in budget planning, implementation, and utilization (Kadjintuni et al., 2023). According to Zainab (2020) in the Gresik district, which examines the effect of budget

planning, budget realization reports, budget evaluation, and HR competencies on the performance accountability of village officials, the results show that budget planning has a positive impact on the performance accountability of village officials. The budget planning regression coefficient shows a positive relationship, with a significance level of less than 0.05. This finding is consistent with Stewardship theory, which suggests that precise budget planning can help employees improve performance accountability. This means that the existence of structured budget planning is essential because it can direct the process according to the target and allow evaluation of the success or failure of the organization in an agency.

The government's internal control system impacts the effectiveness of regional financial management in the Pekanbaru City government (Sonjaya & Muslim, 2023). The effectiveness of the government's internal control system can influence the quality of local government financial reports by continuing to apply critical processes to the actions and activities carried out by leaders and all employees to provide adequate guarantees to achieve organizational goals through effective and efficient practices (Istiqamah et al., 2023). The role of the government's internal supervisory apparatus and the effectiveness of the government's internal control system influence the performance of regional financial managers in the Aceh Government (Nainggolan et al., 2022).

The government's internal control system impacts the effectiveness of regional financial management in the Pekanbaru City government (Sonjaya & Muslim, 2023). The effectiveness of the government's internal control system can influence the quality of local government financial reports by continuing to apply critical processes to the actions and activities carried out by leaders and all employees to provide adequate guarantees to achieve organizational goals through effective and efficient practices (Istiqamah et al., 2023). The role of the government's internal supervisory apparatus and the effectiveness of the government's internal control system influence the performance of regional financial managers in the Aceh Government (Nainggolan et al., 2022).

Sweetenia et al. (2019), in their research on the Application of Performance-Based Budgeting to the Performance Accountability of Local Government Agencies, show that budget implementation has a positive and significant effect on performance accountability. This indicates that government OPDs have successfully implemented a budget system based on better performance improvement. (Wang & Cheng, 2023) Fiscal decentralization, efficiency, and effectiveness of budget absorption on local government financial reporting accountability, found that the effectiveness of budget absorption impacts financial reporting accountability.

Muzahid (2019) discusses the effect of participatory budgeting, budget target clarity, and implementation of internal supervision on the managerial performance of local government agencies and their implications for financial accountability; the results showed the path coefficient value of the budget target clarity variable of 0.243. This positive coefficient indicates that an increase in budget target clarity can improve the performance of district/city government agencies in North Sulawesi. This means that managerial performance can be improved if government agencies or OPDs involve more apparatus in the budgeting process. The calculation of the average score of internal supervision implementation shows a high value in implementing OPD internal supervision. The significance test of the path coefficient on the structural model shows that managerial performance significantly affects

financial accountability. The positive coefficient indicates that an increase in managerial performance will increase the financial accountability of district/city government agencies, meaning that increased financial accountability can occur if government agencies or OPDs improve managerial performance. Based on the formulation of problems, formulation of hypotheses, and research results, this study concludes that participatory budgeting positively affects the managerial performance of government agencies.

H₁: Budget Planning has a positive and significant effect on Budget Absorption.

H₂: Internal Control has a positive and significant effect on Budget Absorption.

H₃: Internal Control has a positive and significant effect on Accountability.

H₄: Budget Absorption affect Accountability.

H₅: Internal Control has a positive and significant effect on Absorption.

H₆: Budget Planning affect on Accountability, with Budget Absorption as an intervening

H₇: Internal Control affect on Accountability with Budget Absorption as an intervening variable.

Research Design and Method

The research method used is a quantitative approach. Data was collected through questionnaires via Google Forms to employees of the Regional Planning, Development, Research and Development Agency of South Sulawesi Province via short messages and social media. This aims to simplify and speed up the data collection process. The research sample was determined using a purposive sampling technique. The data sources used consisted of primary data, obtained from answers to questionnaires submitted to respondents, and secondary data, taken from various journals, books, and previous research. Data analysis was carried out using descriptive analysis and hypothesis testing using the path analysis method.

Table 1. Variables / Item Measurement

Variable	Code	Item / Construct	Major Reference
Budgetary Planning	• BP1	1. Suitability to needs (Priority)	(Dahana & Ermwati, 2020)
	• BP 2	2. Compliance with rules	
	• BP 3	3. Punctuality (Discipline)	
	• BP 4	4. Easy to understand.	
	• BP 5	5. Administrative errors (revisions)	
	• BP 6	6. Participatory	
Internal Control	• IC1	1. Surveillance environment	Sari et al. (2020)
	• IC 2	2. Risk assessment.	
	• IC 3	3. Surveillance activities	
	• IC 4	4. Information and communication, and	
	• IC 5	5. Monitoring based on Government Regulation No. 60 of 2008	
Budget Absorption	• BA1	1. Comparison of realization with targets	(Yuniati & Anne Putri, 2023)
	• BA2	2. Quarterly realization	
	• BA3	3. Consistency of implementation (time and activities)	

Accountability (Y 2)	<ul style="list-style-type: none"> • A1 • A2 • A3 • A4 • A5 • A6 • A7 • A8 	1. Decision making	(Witvliet et al., 2023)
		2. Clarity of policy objectives taken	
		3. Mechanisms that ensure that standards are met	
		4. Consistency and feasibility	
		5. Dissemination of information about a decision	
		6. There is accuracy and completeness of information.	
		7. Availability of information system for management and monitoring	
		8. Mechanisms that facilitate the reporting and dissemination of information.	

Results and Discussion

Statistical Result

Out of a total of 115 employees who were selected to participate in this study and asked to complete the questionnaire, 102 questionnaires were collected from them in response to the survey. There are several reasons why some respondents may not return the questionnaires in a study. Busy daily routines or time constraints may prevent them from taking the time to complete the questionnaire. In addition, some may need more confidence or comfort to answer the questions. Loss or forgetfulness can also be a cause, where questionnaires are lost or forgotten after receiving them. Disinterest in the research topic, lack of interest, or the perception that the questionnaire is irrelevant may also make some respondents choose not to return the questionnaire. In addition, sometimes respondents need to remember or pay more attention to return questionnaires accidentally for various reasons, and instructions that need to be clearer can also affect the return rate of questionnaires in a study.

Table 2. Respondents' Characteristics

Variables	Measurement	N	Percent
Gender	Male	71	69.610
	Female	31	30.390
Position	Head of Field	10	9.800
	Head of Subdivision	10	9.800
	Functional	20	19.610
	Staff	62	60.780
Education Level	Diploma (D3)	7	6.860
	Bachelor's degree (S1)	65	63.730
	Master's degree (S2)	28	27.450
	Doctoral Degree (S3)	2	1.960
Work-length	≤ 5 years	9	8.820
	6 – 10 years	27	26.470
	11-15 years	36	35.290
	16-20 years	7	6.860
	≥ 21 years	23	22.550

Source: SPSS Output (2023)

Based on Table 3, some descriptive statistical results for budget planning variables (X1), internal control (X2), budget absorption (Y1), and regional financial accountability (Y2) can

be described. The budget planning variable (X1), the independent variable, has a standard deviation value of 5.545 and an average (mean) of 42.65. Meanwhile, the internal control variable (X2) has a standard deviation of 8.276 and a mean of 69.29. The budget absorption variable (Y1) as an intervening variable has a standard deviation of 3.828 with a mean of 24.73. Furthermore, the regional financial accountability variable (Y2) as the dependent variable has a standard deviation of 4.898 with a mean of 33.92. Statistical analysis shows that the mean value of each variable is greater than the standard deviation value, indicating a relatively small level of data deviation. Therefore, the mean value can be considered as a representation of the entire data. This phenomenon indicates that data distribution tends to be regular and unbiased. Suppose the mean value is smaller than the standard deviation value. In that case, this indicates poor results and can cause the data distribution to be abnormal and cause bias in the analysis.

Table 3. Descriptive Statistic

	n	Minimum	Maximum	Mean	Std. Deviation
Budget Planning	102	28	50	42.65	5.545
Internal Control	102	39	80	69.29	8.276
Budget Absorption	102	14	30	24.73	3.828
Accountability	102	17	40	33.92	4.898
Valid n (listwise)	102				

Source: SPSS Output (2023)

The validity test results show that all question items in this study have been proven valid. The r-calculated value of each question item of each variable shows a value greater than the significance of 0.050, indicating its validity. The reliability test results also confirm that each variable in this study has a Cronbach's Alpha value > 0.60, indicating that each indicator used has good reliability. The significant result (Asymp. Sig 2-tailed), which reaches 0.010, is greater than the threshold value 0.05. This indicates that the data is usually distributed, following the previous Kolmogorov-Smirnov normality test. Thus, the normality assumption required in the regression model has been met. In addition, in the multicollinearity test, the tolerance value on the independent variables is not less than 0.10, and the VIF value does not exceed 10, indicating the absence of multicollinearity symptoms between the independent variables in the regression model. Furthermore, the heteroscedasticity test with the Glejser test shows the significance value (Sig.) on the budget planning variable (X1) of 0.308, internal control (X2) of 0.303, and budget absorption (Y1) of 0.059, all of which are greater than 0.050. Based on decision-making from the heteroscedasticity test, it can be concluded that there is no heteroscedasticity problem in the model used.

Table 4. Path Analysis Test Model I

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.422	1.811		-1.337	0.184
	Budget Planning (X1)	0.293	0.064	0.425	4.618	0.000
	Internal Control (X2)	0.211	0.043	0.457	4.964	0.000

a. Dependent Variable: Budget Absorption

Source: SPSS Output (2023)

The model 1 regression output results in Table 5 show that the significant value of the two variables, namely budget planning (X1) and internal control (X2), is less than 0.050. The equation obtained is $Y1 = 0.425X1 + 0.457X2$. This finding confirms that Regression Model I, with budget planning (X1) and internal control (X2), has a significant influence on budget absorption (Y1). The standard beta coefficient of X1 of 0.425 signifies that every one-point increase in budget planning (X1) contributes to an increase of 0.425 points in budget absorption (Y1). Similarly, the X2 standardized beta coefficient of 0.457 indicates that a one-point increase in internal control (X2) will result in a 0.457-point increase in budget absorption (Y1). This illustrates that both budget planning (X1) and internal control (X2) have a significant influence on the level of budget absorption (Y1).

After testing the coefficient of determination, the magnitude of the R Square value in the Model Summary table is 0.700. This shows that the contribution of the influence of budget planning (X1) and internal control (X2) on budget absorption (Y1) is 70.00 percent. In comparison, the remaining 30.00 percent is the contribution of other variables not included in this study.

Table 5. Path Analysis Test Model II
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.126	1.771		-1.765	0.081
	Budget Planning (X1)	0.246	0.068	0.279	3.627	0.000
	Internal Control (X2)	0.287	0.046	0.484	6.214	0.000
	Budget Absorption (Y1)	0.271	0.097	0.212	2.779	0.007

a. Dependent Variable: Accountability (Y2)

Source: SPSS Output (2023)

The results of model 2 regression output in the coefficient table show that the significance value of the three variables, namely budget planning (X1) of 0.000, internal control (X2) of 0.000, and budget absorption (Y1) of 0.007, is smaller than 0.05. Based on the second path regression test results, the structural equation can be arranged as follows:

$$Y2 = 0.279X1 + 0.484X2 + 0.212Y1 \dots\dots$$

This confirms that Regression Model II, which involves budget planning (X1), internal control (X2), and budget absorption (Y1), has a significant influence on Accountability (Y2). A one-point change in budget planning (X1) will have a 0.279-point impact on accountability (Y2), while a one-point increase in internal control (X2) will result in a 0.484-point increase in accountability (Y2). Similarly, a one-point increase in budget absorption (Y1) will contribute 0.212 points to the level of accountability (Y2). Thus, budget planning (X1), internal control (X2), and budget absorption (Y1) each have a significant impact on the level of accountability (Y2). The magnitude of the R Square value obtained from the Model Summary determination coefficient test shows a value of 0.829. This shows that the contribution of the influence of budget planning (X1), internal control (X2), and budget absorption (Y1) on accountability (Y2) is 82.90 percent. At the same time, the remaining 17.100 percent is the contribution of other variables not included in this study.

The correlation coefficient (R) is 0.475, which illustrates a positive and unidirectional relationship. The value of $R^2 = 0.225$; this means the influence of variables (working capital turnover, asset turnover, and capital structure) on variable Y (return on investment) is 22.5%, and the impact of other variables is 77.5%. This influence is classified as less suitable because the effect is small, below 60%, but significant (P-value) = 0.000 (very far below the critical value of testing $\alpha = 0.05$).

Table 6. Hypothesis Test Results

Hypothesis	Path Coefficient	T-count	T- table	Sign.	Description
X1 → Y1	0.425	4.618	1.985	0.000	Significant
X2 → Y1	0.457	4.964	1.985	0.000	Significant
X1 → Y2	0.279	3.627	1.985	0.000	Significant
X2 → Y2	0.484	6.214	1.985	0.000	Significant
Y1 → Y2	0.212	2.779	1.985	0.007	Significant
X1 → Y1 → Y2	0.369	2.076	1.985	0.019	Significant
X2 → Y1 → Y2	0.586	2.140	1.985	0.016	Significant

Source: SPSS Output (2023)

Discussion

The research findings indicate that the budget planning variable has a notable and favorable impact on the absorption variable. This suggests that as budget planning becomes more developed, the level of budget absorption increases. Prudent fiscal management and strategic planning facilitate the efficient execution of plans and operations within a given financial year, hence aiding the attainment of budget absorption goals. This finding aligns with the research conducted by Ramadhani et al. (2019), which verifies that budget planning in the West Sumatra Province OPD impacts budget absorption. The stakeholder theory emphasizes the interdependent connection between regional governments and other relevant parties, with the government playing a crucial role in the region's development. Efficient utilization of resources through strategic planning enables the successful execution of development initiatives. Budget planning and implementation directly influence the absorption of the budget.

Testing the internal control variable on the budget absorption variable reveals a notable and favorable impact. A direct correlation can be inferred between the quality of internal control and the degree of budget absorption. Implementing internal supervision effectively in the South Sulawesi Provincial Planning, Development, Research, and Development Agency will enhance the absorption of the budget. This aligns with the second hypothesis, which asserts that internal control impacts the extent to which the budget is utilized. Effective budget absorption is enhanced by internal solid supervision. Implementing suitable internal controls in local government helps instill confidence in attaining agency objectives, safeguard state assets, and enhance adherence to relevant laws and regulations. Enforcing efficient internal controls in local government will also guarantee that budget absorption is executed in compliance with legal regulations. According to the findings of Lartey et al. (2023), it is crucial for the government to successfully implement an internal control system to manage the budget, meet the requirements and welfare of the community, and demonstrate exemplary performance in achieving the vision and mission. Exercising responsible leadership and

adhering to ethical principles will enhance the coordination of financial management, leading to improved efficiency.

The assessment of the budget planning variable on the Accountability variable reveals a substantial and statistically significant beneficial influence. This demonstrates that a higher level of budget planning maturity corresponds to improved accountability. Effective oversight and strategic coordination of programs and activities throughout a fiscal year can serve as a yardstick to evaluate an organization's or institution's triumph or downfall. These results confirm the validity of the third hypothesis, which posits that budget planning impacts accountability. Therefore, the third hypothesis is deemed to be accepted. By the principles of Stewardship theory, thorough budget planning facilitates employees in attaining the desired level of performance. Precise planning enables the measurement of both success and failure and guides activities aligned with the aims of an organization or institution. The results suggest that the budget preparation aligns with the organization's goal at the South Sulawesi Provincial Planning, Development, Research and Development Agency. Hence, the implementers accountable for its execution can comprehend the intricacies and specifics of budget planning. This finding aligns with the research conducted by Zainab (2020), which demonstrates that budget planning has a favorable impact on the performance and accountability of village administrators. These findings demonstrate that aligning budgeting with organizational strategy catalyzes employee motivation and attaining desired objectives. Comprehending budget planning thoroughly enhances the execution process. Furthermore, (Wardani & Dewi, 2022) demonstrate that the execution and disclosure of budgetary measures also influence accountability.

The assessment of the internal control variable on the Accountability variable reveals a statistically significant and favorable impact. This demonstrates a positive correlation between the effectiveness of internal control and the amount of accountability. In their study, Wijayanti and Setyawan (2022) demonstrate a solid and favorable relationship between internal control and performance accountability. These data validate that the higher the level of internal control established by the regional apparatus unit, the greater the level of performance responsibility. (Wibowo 2022) stresses the need for central and regional governments to serve as reliable and pertinent sources of information concerning financial activities and performance. Ensuring prompt, uniform and dependable dissemination of information is crucial for upholding individuals' entitlement to access information, shape choices, and engage in transparency.

The testing results indicate a strong positive impact of the budget absorption variable on the Accountability variable. This demonstrates that a higher level of budget absorption corresponds to a higher level of accountability. The findings of this study align with the research conducted by Vuong and Nguyen (2022), which underscores the objective of performance evaluation to assess the effectiveness or ineffectiveness of an organization or work unit in fulfilling its responsibilities. Performance review is conducted to assess accomplishments, advancements, and challenges encountered in pursuing the intended objective, aiming to enhance the organization's future performance.

The findings from the experiment, where the budget absorption variable was used as an intervention, indicate both direct and indirect effects on the relationship between budget planning factors and their impact on accountability. Consequently, the level of accountability

increases in direct proportion to the effectiveness of budget planning and its successful integration into the implementation schedule. The findings of this study suggest that budget absorption elements mediate the connection between budget planning and accountability, demonstrating complete mediation. The execution of budget absorption mainly determines the relationship between budget planning and accountability. Therefore, implementing efficient budget planning will enhance the absorption of funds, leading to improved accountability.

The findings from the experiment, which examined the budget absorption variable as an intervention variable in the correlation between internal control variables and their impact on accountability, indicate the presence of both direct and indirect impacts. This demonstrates that adhering to laws and effectively managing budget allocation in alignment with the activity implementation timeline will enhance accountability. Research indicates a clear relationship between internal control and accountability, mediated by budget absorption.

Conclusions

The South Sulawesi Province, Planning, Development, Research and Development Agency is greatly affected by budget planning and internal control, which ensure efficient budget absorption and accountability. Prudent budgetary planning and efficient internal control measures guarantee the most efficient utilization of funds and enhance the level of responsibility.

The findings of this study suggest that local governments should enhance their budget planning and enforce more efficient internal controls to optimize budget use and enhance transparency in the allocation of public cash.

Recommendations for future research include broadening the geographical coverage of this study to encompass multiple regions in Indonesia and conducting a more in-depth examination of additional variables that may impact budget absorption and accountability, such as the extent of community engagement in the budget planning and monitoring procedures. Furthermore, further investigations could also examine the impact of additional variables that may be pertinent, such as organizational culture and the degree of transparency in public financial management. Therefore, the additional study can offer more profound and all-encompassing understandings for policymakers in enhancing the efficiency of budget management and accountability at the regional level.

Reference

- Amal, M. I., & Wibowo, P. (2022). Analisis Kinerja Keuangan Pemerintah Provinsi DKI Jakarta Sebelum Dan Sesudah Pandemi Covid-19. *Jurnal Pajak Dan Keuangan Negara (PKN)*, 4(1), 83–93. <https://doi.org/10.31092/jpkn.v4i1.1723>
- Ayu, A., Rahmawati, R., & Ramadhan, A. (2023). Fraud detection dan fraud prevention dalam upaya tindakan kecurangan laporan keuangan desa. *Jesya*, 6(2), 1517–1527. <https://doi.org/10.36778/jesya.v6i2.1147>
- Dahana, M. A., & Ermwati, . (2020). Analysis of The Budget Planning Process and Budget Execution Process. *European Journal of Business and Management Research*, 5(4). <https://doi.org/10.24018/ejbmr.2020.5.4.426>

- Dewi, E. P. (2018). Good Governance Dan Transparansi Rencana Strategi Terwujudnya Akuntabilitas Kinerja Pemerintah. *Jurnal Lentera Bisnis*, 7(2), 81. <https://doi.org/10.34127/jrlab.v7i2.236>
- Digdowniseiso, K. (2022). Pattern of Absorption of the Provincial Budget for the Special Capital Region (DKI) of Jakarta. *Atestasi : Jurnal Ilmiah Akuntansi*, 5(1), 1–15. <https://doi.org/10.57178/atestasi.v5i1.3>
- Gavrila, M.-D., & Stefan, A. (2023). Organizational Practices Related to Internal Audit in Economic Entities from a Pandemic Perspective. *Audit Financiar*, 21(170), 340–354. <https://doi.org/10.20869/AUDITF/2023/170/013>
- Handayani, K. S., Ni Kadek Sinarwati, & Putu Indah Rahmawati. (2022). The Effect of Budget Planning, Budget Implementation, and Human Resource Competencies on Budget Realization at Ganesha University of Education. *International Journal of Social Science and Business*, 6(3), 438–445. <https://doi.org/10.23887/ijssb.v6i3.44152>
- Hendrik Latief, Syachrumsyah Asri, & Agus Santosa. (2023). Akuntabilitas Kinerja Instansi Pemerintah Pada Pemerintah Kabupaten Paser. *Journal Publicuho*, 5(4), 1367–1376. <https://doi.org/10.35817/publicuho.v5i4.83>
- Istiqamah, I., Nadirsyah, N., & Abdullah, S. (2023). The Influence of Apparatus Competency, The Role of Government Internal Supervisory Apparatus, and The Effectiveness of The Government's Intern Control System on The Performance of The Aceh Government's Regional Financial Management. *International Journal of Current Science Research and Review*, 06(02). <https://doi.org/10.47191/ijcsrr/V6-i2-28>
- Kadjintuni, Z., Tontik, D., Darman, D., Rachman, A., & Dunggio, T. (2023). Analisis Pengelolaan Keuangan Daerah Terhadap Akuntabilitas Kinerja Pemerintah Kabupaten Boalemo. *JISIP (Jurnal Ilmu Sosial Dan Pendidikan)*, 7(1). <https://doi.org/10.58258/jisip.v7i1.4124>
- KPK, T. P. L. T. (2016). Laporan Tahunan KPK Tahun 2015. Jakarta: Komisi Pemberantas Korupsi.
- Kurniawan, P. C., & Izzaty, K. N. (2019). Pengaruh Good Corporate Governance Dan Pengendalian Internal Terhadap Pencegahan Fraud. *ECONBANK: Journal of Economics and Banking*, 1(1), 55–60. <https://doi.org/10.35829/econbank.v1i1.2>
- Lartey, P. Y., Akolgo, I. G., Jaladi, S. R., Ayeduvor, S., & Afriyie, S. O. (2023). Recent advances in internal control: Soft control overcoming the limits of hard control. *Frontiers in Management and Business*, 4(1), 289–302. <https://doi.org/10.25082/FMB.2023.01.004>
- Martini, R., Lianto, N., Hartati, S., Zulkifli, Z., & Widyastuti, E. (2019). Sistem Pengendalian Intern Pemerintah Atas Akuntabilitas Pengelolaan Keuangan Dana Desa Di Kecamatan Sembawa. *Jurnal Akademi Akuntansi*, 2(1), 106–123. <https://doi.org/https://doi.org/10.22219/jaa.v2i1.8364>
- Mauro, S. G., Cinquini, L., & Grossi, G. (2020). Insights into performance-based budgeting in the public sector: a literature review and a research agenda. In *Public Budgeting in Search for an Identity* (pp. 7–27). Routledge. <https://doi.org/10.4324/9781003133575-2>

- Mokoginta, N., Lambey, L., & Pontoh, W. (2017). Pengaruh Sistem Pengendalian Intern Dan Sistem Akuntansi Keuangan Daerah Terhadap Kualitas Laporan Keuangan Pemerintah. *Going Concern : Jurnal Riset Akuntansi*, 12(2). <https://doi.org/10.32400/gc.12.2.18282.2017>
- Muzahid, M. (2019). The Effect Of Participatory Budgeting, Clarity Of Budget Objectives On Managerial Performance In North Aceh District. *Jurnal Akuntansi*, 9(1), 17–32. <https://doi.org/10.33369/j.akuntansi.9.1.17-32>
- Nainggolan, L. M., Yahya, I., & Absah, Y. (2022). Analysis of Factors Affecting the Government Financial Management Performance of the Pematangsiantar City. *International Journal of Research and Review*, 9(8), 227–237. <https://doi.org/10.52403/ijrr.20220821>
- Oriakpono, A. E., Hyanam, S. A., & Obadijah, T. G. (2023). Consequence of Performance Based Budgeting Nexsus on Fund-Related Management of Some MDA's in Nigeria. *British Journal of Management and Marketing Studies*, 6(3), 1–31. <https://doi.org/10.52589/BJMMS-UQRXH2C0>
- Podger, A., Su, T., Wanna, J., Niu, M., & Chan, H. S. (2018). How political institutions, history and experience affect government budgeting processes and ways of achieving 'value for money.' In *Value for Money: Budget and financial management reform in the People's Republic of China, Taiwan and Australia* (pp. 1–16). ANU Press. <https://doi.org/10.22459/VM.01.2018.01>
- Putri, D. P., Djuminah, D., & Narulitasari, D. (2019). Government Internal Control System and Reliability of Social Aid Fund Management Financial Statements. *Indonesian Journal of Contemporary Accounting Research*, 1(1), 49. <https://doi.org/10.33455/ijcar.v1i1.91>
- Ramadhani, R., & Setiawan, M. A. (2019). Pengaruh Regulasi, Politik Anggaran, Perencanaan Anggaran, Sumber Daya Manusia Dan Pengadaan Barang/ Jasa Terhadap Penyerapan Anggaran Belanja Pada OPD Provinsi Sumatera Barat. *Jurnal Eksplorasi Akuntansi*, 1(2), 710–726. <https://doi.org/10.24036/jea.v1i2.104>
- S. Purnamasari, P. Rozak, Kurniaty, A. Hadi, & Agus Purnomo. (2023). Analysis of Financial Management in Kenanga UMKM in Improving Ecobric-Based Economic Welfare (Syari'ah Financial Management Review). *Indonesian Journal of Banking and Financial Technology*, 1(4), 293–314. <https://doi.org/10.55927/fintech.v1i4.6298>
- Safriansah, S., Zukhri, N., & Andriyansah, A. (2021). Analysis of Financial Performance Using Budget Absorption Indicators. *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences*, 4(1), 1467–1478. <https://doi.org/10.33258/birci.v4i1.1775>
- Sari, R. P., Mulyani, C. S., & Budiarto, D. S. (2020). Pentingnya Pengendalian Internal Untuk Meningkatkan Transparansi Dan Akuntabilitas Pengelolaan Keuangan Daerah. 6(1), 1–10. <https://doi.org/https://doi.org/10.26486/jramb.v6i1.697>
- Sonjaya, Y., & Muslim, M. (2023). A Look at How Regional Financial Accounting, Government Internal Control, and IT Affect Financial Statement Quality. *Bata Ilyas Journal of Accounting*, 4(1). <https://doi.org/10.37531/bijac.v4i1.4854>
- Surjono, W., & Nova Roslina Firdaus, N. (2017). Pengaruh Sistem Akuntansi Keuangan Daerah Terhadap Akuntabilitas Laporan Keuangan Pada Satuan Kerja Dinas

- Pendapatan Dan Pengelolaan Keuangan (Dppk) Pemerintah Daerah Kabupaten Bandung. *Jurnal Riset Akuntansi Dan Keuangan*, 5(1), 1357–1368. <https://doi.org/10.17509/jrak.v5i1.6737>
- Sweetenia, A. M., Caesari, E. P. A., Aprillia, A. F., & Purwantini, A. H. (2019). Pengaruh Kompetensi, Sistem Pengendalian Internal, Dan Kualitas Penyajian Laporan Keuangan Terhadap Akuntabilitas Pemerintah Desa. *Jurnal Analisis Bisnis Ekonomi*, 17(1), 44–56. <https://doi.org/10.31603/bisnisekonomi.v17i1.2752>
- Vuong, T. D. N., & Nguyen, L. T. (2022). The Key Strategies for Measuring Employee Performance in Companies: A Systematic Review. *Sustainability*, 14(21), 14017. <https://doi.org/10.3390/su142114017>
- Wang, X., & Cheng, J.-C. (2023). The Effect of Fiscal Decentralization on Municipal Fiscal Condition: An Empirical Study of Large American Cities. *State and Local Government Review*, 55(4), 288–302. <https://doi.org/10.1177/0160323X231181332>
- Wardani, S. A., & Dewi, S. R. (2022). The Influence of the Implementation of Accounting Information Systems, Performance-Based Budgeting Applications, and Performance Reporting Systems on the Performance Accountability of Sidoarjo Regency Government Agencies. *Indonesian Journal of Public Policy Review*, 19. <https://doi.org/10.21070/ijppr.v19i0.1269>
- Wijayanti, R. P., & Setyawan, S. (2022). Litelature Review: Analisis Pengendalian Internal Dan Upaya Pencegahan Kecurangan Akuntansi Sektor Publik. *Transekonomika: Akuntansi, Bisnis Dan Keuangan*, 3(1), 1–11. <https://doi.org/10.55047/transekonomika.v3i1.334>
- Witvliet, C. V. O., Jang, S. J., Johnson, B. R., Evans, C. S., Berry, J. W., Leman, J., Roberts, R. C., Peteet, J., Torrance, A. B., & Hayden, A. N. (2023). Accountability: Construct definition and measurement of a virtue vital to flourishing. *The Journal of Positive Psychology*, 18(5), 660–673. <https://doi.org/10.1080/17439760.2022.2109203>
- Yuniati, H., & Anne Putri. (2023). Analisis Pengaruh Perencanaan Anggaran, Pelaksanaan Anggaran, Kompetensi Sumber Daya Manusia Dan Lingkungan Birokrasi Terhadap Penyerapan Anggaran Pada Pemerintah Daerah Kota Payakumbuh. *JEMSI (Jurnal Ekonomi, Manajemen, Dan Akuntansi)*, 9(5), 1886–1899. <https://doi.org/10.35870/jemsi.v9i5.1498>
- Zainab, Z. (2020). Pengaruh Perencanaan Anggaran, Laporan Realisasi Anggaran, Evaluasi Anggaran Dan Kompetensi Sumber Daya Manusia Terhadap Akuntabilitas Kinerja Perangkat Desa. *Media Mahardhika*, 18(2), 241–254. <https://doi.org/10.29062/mahardika.v18i2.153>
- Zakirova, A., Klychova, G., Dyatlova, A., Khoruzhy, V., & Mavlieva, L. (2023). Development Of Methodological Tools For Internal Control Of Financial Accounting Reporting. *Vestnik of Kazan State Agrarian University*, 18(2), 127–134. <https://doi.org/10.12737/2073-0462-2023-127-134>