



The Impact of Clearance Budget Targets And Accounting Control System on The Performance Of The Government of Kupang City

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Abstract—Regional financial management is carried out in an integrated system embodied in the Regional Revenue and Expenditure Budget (APBD) which is annually stipulated by regional regulations. The shift in the APBD from a traditional budget to a performance budget requires that the APBD be prepared based on certain targets to be achieved in one fiscal year.

The preparation of the APBD is an effort to achieve the vision, mission, goals, and targets set out in the Regional Medium-Term Development Plan (RPJMD) for 5 (five) years, and the regional head program whose preparation is guided by the Regional Long-Term Development Plan (RPJPD). Considering the National Medium Term Development Plan (RPJMN) and the minimum service standards set by the government.

The role of clarity of budget targets is important because the clarity of budget targets in budgeting has a positive influence on managerial motivation. After all, a budget that is prepared with clear budget targets will result in an effective exchange of information that provides a high level of understanding for managers, thus encouraging planning activities. Clarity of budget targets describes the breadth of budget targets to be achieved and understood by those responsible for their achievement.

This research is essential to do concerning the clarity of budget targets where the public has the right to know the policies taken by the government. The government must provide the necessary information in the managerial process, such as planning, budgeting, implementation, monitoring, and evaluation of government performance.

The purpose of this research is to find out the impact of the clarity of budget targets and the Accounting Control System on Managerial Performance with the research subjects being middle-level managers from local government apparatus, namely the heads of offices, agencies, offices, and leaders of sections in the Kupang city government. This study uses a quantitative approach, namely by performing statistical calculations. The data source used is primary data. The data collection mechanism in this study was carried out directly through the survey method, to obtain individual opinion data. Data was collected by compiling a list of questions posed to respondents using a questionnaire. The population in this study were middle-level managers from the local government of Kupang City.

Keywords : *Budgeting, Controlling, Accounting, Managerial Performance*

I. INTRODUCTION

Regional financial management is carried out in an integrated system embodied in the Regional Revenue and Expenditure Budget (APBD) which is annually stipulated by regional regulations. The shift in the APBD from a traditional budget to a performance budget requires that the APBD be prepared based on certain targets to be achieved in one fiscal year.

The preparation of the APBD is an effort to achieve the vision, mission, goals, and targets that have been set in the Regional Medium-Term Development Plan (RPJMD) for 5 (five) years, and the regional head program whose preparation is guided by the Regional Long-Term Development Plan (RPJPD). Considering the National Medium Term Development Plan (RPJMN) and the minimum service standards set by the government.

The role of clarity of budget targets is important because the clarity of budget targets in budgeting has a positive influence on managerial motivation. After all, a budget that is prepared with clear budget targets will result in an effective exchange of information that provides a high level of understanding for managers, thus encouraging planning activities. Clarity of budget targets describes the breadth of budget targets to be achieved and understood by those responsible for their achievement. Setting specific budget targets is more productive because it will encourage employees to do their best (Locke, E. A., 1968) [19]. In this case, the budget helps managers (government agency officials) in carrying out planning and control so that the goals that have been set can be achieved optimally.

Several studies have been conducted to prove the relationship between clarity of budget targets and managerial performance. Research on the relationship between clarity of budget targets and managerial performance conducted by Natalia (2019)[25]; Budiastawa (2021) [1]; Harianto (2021) [6]; Lestari (2017) [28] proves a positive relationship. Managerial performance obtained by managers is one of the factors that can be used to increase organizational effectiveness. Mahoney et al., (1963) [21] stated that managerial performance is the performance of individual members of the organization in managerial activities, including planning, investigation, coordination, supervision, staffing, negotiation, and representation.

The purpose of this study was to determine the impact of clarity on budget targets and accounting control systems on the managerial performance of the Kupang City Government.

II. LITERATURE REVIEW

A. Clarity of Budget Goals (Budget Goal Clarity)

The clarity of budget targets shows the breadth of budget objectives that are stated specifically and clearly and understood by anyone responsible for achieving them (Nuthayadi, 2017).[16] Clarity and specification of budget targets have a positive impact on the commitment to achieving targets (Ivancevich, 1976).[14] Harianto research (2021) [6] shows that the clarity of budget targets has a positive effect on managerial performance with organizational commitment as the moderating variable. The results of Harianto research are also supported by Lestari (2017)[28].

B. Accounting Control System

The accounting control system is defined as a system that uses accounting information in its control (Kren, L., 1992,).[17] The accounting control system is a formal accounting-based control system used by organizations to carry out activities to achieve their performance.

C. Managerial Performance

Managerial performance is defined as the level of a manager's proficiency in carrying out management activities which include planning, investigation, coordination, evaluation, supervision, staff selection, negotiation, representation, and overall performance (Mahony et al., 1963) [21]. Managerial performance is the performance of individuals who are responsible for managerial activities in an agency or organization.

III. RESEARCH METHODS

A. Research Approach

This study uses a quantitative approach, namely by performing statistical calculations. The data source used is primary data. The data collection mechanism in this study was carried out directly through the survey method, to obtain

individual opinion data. Data was collected by compiling a list of questions posed to respondents using a questionnaire.

B. Population and Data Collection Techniques

The population in this study were middle-level managers from the local government of Kupang city. In this study, the managers were selected who were in the Office, Agency, and Office (the Regional Work Units of the Kupang City SKPKD totaling 39 SKPD). The unit of analysis, in this case, is the structural officer of the agency.

C. Data analysis technique

Validity and Reliability Test

The accuracy of testing the hypothesis about the relationship between variables is highly dependent on the quality of the data used. Hypothesis testing will not meet the target if the data used is unreliable and invalid/exact data. Therefore, before the data is processed further, it should be tested for reliability and validity.

Classic assumption test

1. Normality Test
2. Multicollinearity Test
3. Heteroscedasticity Test

Data analysis method

Tabel 2 Coefficients*

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.902	2.472		3.197	.003
	X1	.533	.219	.481	2.431	.020
	X2	.368	.169	.431	2.181	.036

The method to analyze the data in this study using Multiple Linear Regression analysis is intended to determine the direct and indirect effects of the observed variables (Rosidi, 2000). The main advantage of using this regression analysis is that the relationship between two variables can be composed (in this case the Clarity of Budget Goals and performance). This test is carried out as follows:

1. The first step is to determine the effect of the Clarity of Budget Goals on Managerial Performance. The equation is:

$$Y = a + bx_1 + e_1 \dots\dots\dots (1)$$

2. The second step, determine the effect, Accounting Control System

on managerial performance. The equation is:

$$Y = a + b x_2 + e_2 \dots\dots\dots (2)$$

Information :

Y = Managerial Performance

X1 = Clarity of budget goals

IV. ANALYSIS RESULTS AND DISCUSSION

A. Analysis Results Classic assumption test

1) Classic Assumption Test Results

Table 1. Classic Assumption Test Results

Test Name	Test Result	Description
Normality test	significance value of 0.200 > 0.05).	Normal distributed data
Multicollinearity Test	value is more than 0.1 and VIF is less than 10 tolerance value 0.141 > 0.10 and VIF value 7.101 < 10	There is no multicollinearity between independent variables in the regression model
Heteroscedasticity Test	Test The dots on the scatterplot graph are randomly distributed above and below the zero point and do not form a certain pattern	There is no heteroscedasticity

2) Multiple Regression Test

From the results of hypothesis testing in table 2 above, it shows that the linear regression equation multiples for equation 1 are as follows:

The numbers displayed in the Coefficients table results are entered into the multiple linear regression formula, which is as follows: $Y = 7.902 + 0.533 X1 + 0.368 X2$

3) Coefficient of Determination Test

Tabel 3 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.895 ^a	.802	.791	2.09670

The results of the calculation of the coefficient of determination (R2) is 0.802 meaning 80.2%. This shows that the dependent variable of managerial performance can be explained by the independent variable of budget target clarity and accounting control system of 80.2%, while the remaining 0.198 or 19.8% is influenced by other independent variables not examined in this study.

4) T Test

Tabel 4 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.902	2.472		3.197	.003
	X1	.533	.219	.481	2.431	.020
	X2	.368	.169	.431	2.181	.036

Source: SPSS Appendix

Based on the output results above, it can be seen that: First, the significance level of the Clarity of Budget Target (X1) variable is $0.020 < 0.05$, this means H_0 is rejected, H_a is accepted, in other words, the Clarity of Budget Goals partially has a significant effect on the Managerial Performance variable. to the Kupang City Government (Y). Second, the significance level of the Accounting Control System variable (X2) is $0.036 < 0.05$, which means H_0 is rejected, and H_a is accepted, in other words, the Accounting Control System affects the Managerial Performance variable in the Kupang City Government (Y).

5) F Test

Tabel 6 ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	641.026	2	320.513	72.769	.000 ^b
Residual	158.564	36	4.405		
Total	799.590	38			

a. Predictors: (Constant), Accounting Control System, Clarity of Budget Goals

b. Dependent Variable: Managerial Performance

From the output results above, it can be seen that the significance level of the Clarity of Budget Target (X1) and Accounting Control System (X2) variables is $0.000 < 0.05$, this means that H_0 is rejected and H_a is accepted. In other words, simultaneously Clarity of Budget Targets (X1), and the Accounting Control System (X2) significantly influence the Managerial Performance of the Kupang City Government (Y).

B. Discussion

The Effect of Clarity on Budget Targets on Managerial Performance in the Kupang City Government

. From the results of the SPSS output, it is known that the significance level of the Clarity of Budget Target (X1) variable is $0.020 < 0.05$, which means that the Clarity of Budget Targets has a positive effect on the Managerial Performance variable in the Kupang City Government. This means that the Kupang city government in preparing the budget needs to be considered, namely the budget target must be clear, it will make it easier for the Kupang city government to determine budget targets so that when the budget is implemented it will be successful in its development. Because the target has been set. Locke & Latham (1984) [19] argues that clear budget targets will make interested parties in budget preparation more selective and try their best to provide good results so that unwanted errors do not occur.

The Effect of Accounting Control Systems on Managerial Performance in the Kupang City Government.

From the results of the SPSS output, it can be seen that the significance level of the Accounting Control System variable (X2) is $0.036 < 0.05$, meaning that the Accounting Control System affects the Managerial Performance variable in the Kupang city government. This shows that if the value of the accounting control system is increased, it will cause an increase in the managerial performance of the Kupang city government. According to Anthony (2000), accounting control is a control tool that has a function to regulate and control the organization in the implementation of its activities or operations in terms of recording financial statements so that when an audit or audit occurs, both internal and external audits, the resulting report gets an opinion. reasonable as expected.

The Effect of Clarity on Budget Targets and Accounting Control Systems on Managerial Performance in the Kupang City Government

. From the results of the SPSS output, it is known that the significance level of the Clarity of Budget Target (X1) and Accounting Control System (X2) variables is $0.000 < 0.05$, this means that H_0 is rejected and H_a is accepted. In other words, simultaneously Clarity of Budget Targets (X1), and the Accounting Control System (X2) has a significant effect on Managerial Performance in the Kupang City Government. The results of this study indicate that there is a significant positive

influence far below 0.05, this indicates the hypothesis is acceptable, meaning that the clarity of budget targets and the accounting control system simultaneously or partially influences managerial performance in the Kupang City Government.

V. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusion

The conclusions that can be drawn from the results of the research and discussion that have been discussed previously are as follows:

1. Clarity of budget targets and accounting control systems affect managerial performance either simultaneously or partially
2. Based on the results of the analysis using the ANOVA table, the value of $F = 72,769$ with a probability value (sing) of 0.000 is obtained. Because the sing value is $0.000 < 0.05$, the decision to accept H_1 is accepted. This shows that the clarity of budget targets and the accounting control system together (simultaneously) affect the managerial performance of the Kupang City Government.
3. Based on the Model Summary table shows the magnitude of the influence of the independent variables (clarity of budget targets and accounting control systems) on the dependent variable (managerial performance) is 0.802 or 80.2%. This shows that the dependent variable of managerial performance can be explained by the independent variable of clarity of budget targets. and accounting control system of 80.2% while the remaining 0.198 or 19.8% is influenced by other independent variables not examined in this study.

B. Suggestion

Starting from the discussion and conclusions that have been put forward in writing this thesis, the writer tries to give suggestions as follows:

1. The Kupang City Government is expected to further improve the clarity of budget targets and its accounting control system to achieve high managerial performance.
2. It is also hoped that the Kupang City Government can explain budget targets by providing clear, specific, and understandable information to managers who are responsible for compiling and implementing them so that managerial performance can be improved.

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