

# Implementation of Accountability and Transparency Budgeting on Organizational Performance

I Gusti Gede Heru Marwanto <sup>1\*</sup>, Marwita Andarini <sup>2</sup>, Imam Fachrudin<sup>3</sup>, Irma Nuraeni Salsabila<sup>4</sup>

123Universitas Kadiri, Indonesia

4Institut Prima Bangsa Cirebon

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## Abstract

This study aims to determine the implementation of budget accountability and transparency on the performance of an organization. Applying the principles of accountability and transparency can be seen from the planning, implementation, evaluation, and accountability stages. The complexity of budget management with minimal human resources, when measured from the quality aspect, the implementation of accountability and transparency in budget management on organizational performance is important to study. The research method used is a descriptive analysis method with a qualitative approach. This study emphasizes the process and meaning of social reality that is not tested or measured strictly in quantity or frequency. Qualitative research focuses on explaining how social phenomena are formed and given meaning. The results of this study indicate that implementing accountability budgeting is necessary to improve organizational performance. The implementation of budgeting must prioritize transparent elements to achieve performance-based budgeting so that the implementation of transparency budgets can avoid corruption, which can improve an organization's performance.

**Keywords:** Accountability and Transparency, Budgeting, Performance Organization.

The importance of transparent elements in budget management in each institution, harmonious relations within the scope of the organization, as well as the existence of mutual trust and being a driving force for cooperation, opening bureaucratic strongholds created due to the demands and contents of transparent meaning itself, which can eventually create accountability in management budget. Goals to be achieved from the flow of funds to finance an activity. Responsibility and providing information to each other about time, amount, and accountability in budget management is also a measure of a sense of responsibility about time, amount, and goals to be achieved.

Budget execution can be carried out effectively if its preparation and implementation

consider the characteristic dimensions of budget objectives (Hayyin et al., 2023). The embodiment of accountability, transparency, and accountability can be achieved in budget management (Ni et al., 2017). Applying the principles of financial accountability and transparency helps budget preparation (Asrida, 2012).

Accountability and transparency in financial management are expected to create good management (Aldi et al., 2023). Implementation of accountability and transparency in financial management is expected to improve performance. Financial management uses the budget as a tool that can be used to measure performance (Ulya, 2020).

Accountability is the key to organizational success in implementing budgeting system policies to maintain public trust (Rigian & Sari, 2019). Transparency means providing open and honest financial information (Rigian & Sari, 2019).

With accountability and transparency in budget management principles, the tasks, plans, and costs incurred to create effectiveness are determined. In addition, the budget must also be implemented promptly so that the government will implement the budget following the regulations that have implemented the desired budget. Such is the importance of transparency and accountability as well as the effectiveness of budget execution so that these three norms become principles to uphold considering their interrelationships.

Based on the preceding, implementing accountability and transparency budgeting on organizational performance is necessary in the framework of realizing professional, open, and responsible financial management following the rules that have been set.

## Methods

The research method used is a descriptive analysis method with a qualitative approach. Qualitative research emphasizes the process and meaning of social reality that is not tested or measured strictly in quantity or frequency. Qualitative research focuses on explaining how social phenomena are formed and given meaning.

With a qualitative descriptive approach. This research is expected to describe the actual situation in the field. Quantitative data is used as support. According to Sugiyono, descriptive research is conducted on independent variables without making comparisons or connecting with other variables. A study that seeks to answer a question. Qualitative research does not know the population, so the sample in this study does not represent the population but is treated as a case with its characteristics.

## Results And Discussion

### Implementation of Accountability Budget on Organizational Performance

Accountability is an obligation to provide accountability and explain the performance and actions of a person/legal entity/collective leader of an organization to those parties who have rights (Aldi Septian Putra et al., 2023). Accountability is a mandate of statutory regulations that must be implemented, and there is an assessment of this accountability carried out by the public and oversight institutions that have legal consequences, then the government implementing apparatus will try to apply the concept of accountability as best as possible. The implementation of accountability is believed to be able to improve the performance of government organizations (Novatiani, 2019).

Accountability is an act of accountability for achieving goals on a regular basis in the implementation of policies for managing the potential of resources entrusted to an organization (PP No. 71 of 2010 concerning Government Accounting Standards). Accountability is the key to organizational success in implementing budgeting system policies so as to be able to maintain public trust. (Rigian & Sari, 2019).

Performance-based budgeting will be able to improve the performance of an organization if the organization has complete available financial information to support budget planning, and the budget must be able to present a clear picture of the financing of each program and activity to be carried out (Aldi Septian Putra et al., 2023). In preparing the budget it is aligned with the goals, vision and mission of the organization and describes the outputs and outcomes and is based on economic, efficient and effective principles. In addition, the budgeting carried out has been based on budget principles, namely transparency and accountability, budget discipline and budget justice, so that it will be able to improve organizational performance (Afriady, 2022).

Implementation of accountability is measured through indicators, namely: Accuracy and completeness of information related to methods and rules for achieving the objectives of an activity, the process of making a decision, namely in writing, available to people who need it, with every decision taken that meets ethical standards and values in force, and in accordance with the principles of proper administration, the feasibility and consistency of operational goals and priorities, the clarity of policy objectives that have been set and communicated the dissemination of information regarding a decision through the mass media, and the ease of public access to information on a decision made fabricated and structured mechanisms

This research is in line with the results of research conducted by Nababan, Sihombing, & Thamrin (2018) explaining that the level of accountability increases, the quality of budget management performance also increases (Rigian & Sari, 2019). The results of good budget management performance require accountability in an efficient, effective and economical manner. This is in line with the concept of accountability in value-for-money-based budget management which can be said to be good if it is related to one another (Sudewi, 2017).

Efforts to ensure budget accountability can encourage increased organizational performance through the integration of budget business plan information systems with planning, monitoring and evaluation information systems. (Lusiana, Mildawati, & Fidiana, 2019).

According to Krina (2003) the accountability indicators consist of, (1) The decision-making process is made in writing, available to residents in need, with every decision taken that meets applicable ethical standards and values, and is in accordance with the principles correct administration, (2) Accuracy and completeness of information relating to ways to achieve the targets of a program, (3) Clarity of policy objectives that have been taken and communicated, (4) Feasibility and consistency of operational targets and priorities, (5)

Dissemination of information regarding a decision through the mass media, (6) Public access to information on a decision after a decision is made and a mechanism for public complaints, (7) Management information system and monitoring results (Yenti, Yentifa, & Mustika, 2018).

Performance-based budgeting as an organization in obtaining maximum results where all activities to be carried out must always be within the framework of the goals set and in the long term can realize the strategy they have (Junery & Norhanisah Norhanisah, 2018). Performance-based budgeting is a budgeting method for management to link every cost set forth in activities with the benefits generated.

The outputs and results are set forth in the performance targets for each work unit. Meanwhile, how the goal is achieved is outlined in the program followed by financing at each level of goal achieve

#### Implementation of Transparency Budget on Organizational Performance

Transparency is the existence of an open policy for supervision. Meanwhile, what is meant by information is information about every aspect of government policy that can be reached by the public. Information disclosure is expected to result in healthy, tolerant political competition, and policies are made based on public preferences (Tamara & Konde, 2016). According to Andrianto (2007) in (Fransisca, Saiful, & Aprila, 2021) states that transparency is openness in earnest, comprehensive, and provides a place for active participation from all levels of society in the process of managing public resources.

Transparency is a principle that guarantees freedom of access for the public to obtain comprehensive information on government accountability in managing resources. Transparency is viewed from three aspects, namely the existence of an open policy on supervision, access to information (Aufa Moerrin & Priono, 2022). Transparency is built on the basis of the free flow of information. All

government processes, institutions and information need to be accessible to interested parties and the information available must be sufficient to be understood and monitored (Fратиwi, 2018).

This emphasizes the importance of accountability and transparency for improving performance, because with accountability and transparency to the public, the public is not only aware of the budget but also knows the implementation of the activities being budgeted for.

According to Mardiasmo (2009) in (Moediono & Akbar, 2022). Transparency has three indicators, including:

1. Informative, providing information to people who need clear and accurate information;
2. Openness, the public has the right to obtain and access information;
3. Disclosure, the agent has an obligation to disclose his financial performance to the public.

Some important benefits of budget transparency are that it can prevent corruption, it is easy to identify weaknesses and strengths in policies, it increases government accountability so that the public will be better able to measure government performance, it increases confidence in the government's commitment to decide on certain policies, it strengthens social cohesion, because public trust in government will be formed, and create a better investigative climate so as to increase business certainty (Andrianto, 2007) in (Ulya & Astuti, 2020).

In addition, budget participation also affects performance. This is because government organizational units are given the authority to determine the contents of their budgets and their performance will be assessed based on that budget. Performance budgeting system, namely an efficient and participatory development process in which performance is a measure of the success of an organization (Fратиwi, 2018).

By implementing good transparency, one of the impacts that occurs is that it can reduce the occurrence of KKN, so that transparency can

also be said to be a means of controlling performance (April, Accounting, Purnomo, & Putri, 2018). Transparency can improve performance in certain contexts (Ni Luh Putu Uttari Premananda, 2017).

Nonetheless, transparency does not necessarily improve performance, as it can result in organizations taking a box-ticking approach to publishing large volumes of raw data rather than meaningful information. If this data is not put into a context appropriate for principals, or cannot be easily understood by principals, the data becomes meaningless – and agents may even be judged to be less than responsible. In addition, the wrong kind of transparency where paying more attention to activities than consequences can cause problems because agents have an incentive to portray their behavior in such a way as to be normal. As a result, agents may withhold or ignore some useful personal information, thereby misleading principals, or simply trying to conform to expectations, and therefore not trying to innovate and make improvements.

In this way, the quality and type of data available determines whether it can be used effectively for organizational purposes. Indeed, various experts argue that the way transparency mechanisms are structured shapes their impact on public policy in terms of effectiveness, equity and democratic accountability.

## Conclusion

Based on the problems and discussion above regarding the implementation of accountability and transparency in organizational performance, it can be concluded as follows:

Accountability budgeting is necessary to improve organizational performance, and high accountability is important. In practice, this budgeting system allocates resources for programs and relies on the measurement performance of the organization.

Budgeting must prioritize transparent elements to achieve a performance-based budget

so that implementing a transparent budget can prevent corruption, improving an organization's performance.

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