

THE INFLUENCE OF INTERNAL CONTROL AND E-BUDGETING ON THE PERFORMANCE OF LOCAL GOVERNMENT AGENCIES THROUGH THE IMPLEMENTATION OF GOOD GOVERNANCE

Ratumas Resa Anggia Sakti^{*1}, Nunuy Nur Afiah², Sri Mulyani³

Universitas Padjadjaran, Indonesia^{*123}

rts19001@mail.unpad.ac.id^{*1}, nunuy@unpad.ac.id², smulyani0669@gmail.com³

Abstract: One of the refocusing of the budget that occurred in 2020 is the focus on the Health Sector. However, the low absorption of the budget and the failure to achieve performance targets in the health sector indicate that there are problems related to government performance which should be managed economically, efficiently, and effectively. The purpose of this study was to determine the direct and indirect influence of the government's internal control system and the implementation of e-budgeting on the performance of local government agencies in the health sector through the implementation of good government governance. The study used a quantitative descriptive verification method with a sample of 28 Governments in West Java. Data analysis technique using SEM-PLS. The results show that SPIP has a direct or indirect effect on performance through the implementation of good government governance, SPIP has no effect on performance and implementation of GGG through the implementation of e-budgeting, implementation of e-budgeting has a direct effect on GGG, e-budgeting implementation has no effect on performance, SPIP has no effect on the implementation of e-budgeting, the implementation of GGG has an effect on performance, the implementation of e-budgeting has an indirect effect on performance through good government governance.

Keywords: Internal Control, E-Budgeting, Good Government Governance, Performance

INTRODUCTION

A decentralized government system (regional autonomy) gives all authority to regional governments to regulate and manage their respective household budget policies based on "Law Number 23 of 2014 concerning Regional Government" (Pemerintah Indonesia, 2014) which provides opportunities and challenges to regional governments so that they can carry out their vision and mission effectively, efficiently and economically according to their regional capabilities and needs by applying the principles of good governance.

The government has a very important role to ensure the welfare of society through the availability of public goods and services. The availability of public goods and services certainly requires a large budget and resources, but what is currently available is limited. The Covid-19 outbreak has had the impact of decreasing local government revenues and there have been budget adjustments, one of which is focused on public services in the health sector. The high demand for the community in the Health sector, and the increase in the amount of the Health sector budget which has increased from the previous year, is a challenge for local governments to demonstrate their performance, which starts with preparing and managing budgets economically, efficiently, and effectively so that every budget spent is useful, efficient and successful use for society. Performance is the

achievement produced through the implementation of programs and activities that have been determined in quantity and quality with budget management starting from budget preparation, planning, implementation, and reporting (Pemerintah Indonesia, 2014).

Phenomena related to the performance of public budget management can be seen from the low absorption of the budget. The magnitude of the local government's ability to absorb the budget that has been planned by the APBD can be one of the assessments of the success of the government's performance (Hindriani et al., 2020). Based on data from the Director General of Regional Finance of the Ministry of Home Affairs, West Java Province is the regional government that allocates the highest health budget in Indonesia (Kurniawati, 2020), but low budget absorption also occurs in health spending in West Java as shown in figure 1, there are 14 local governments whose percentage of budget absorption in 2020 is lower than the previous year.

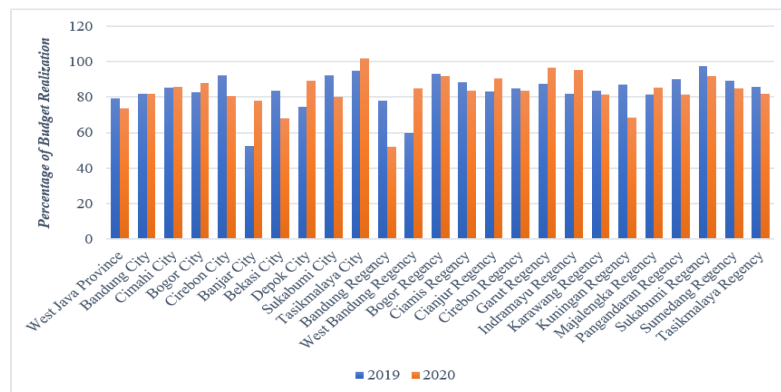


Figure 1. Comparison of 2019 and 2020 Health Service Budget Absorption

Source: Data processed from the 2019-2020 West Java Regional Government Health Office LKIP. (2020)

The low level of absorption of the budget is a sign that many obstacles on the non-budgetary side must be overcome immediately. The budget is used to achieve optimal government performance. In addition to the low absorption of the spending budget, the reality that the performance of local governments in the health sector has not been maximized can be seen from the problems that occur, including a large number of maternal and infant deaths, high communicable and non-communicable diseases, community nutrition problems, low hygiene and healthy living behavior, low quality, equity, range of health services, limited health workers and uneven distribution (Dinas Kesehatan Jawa Barat, 2021).

To be able to provide feedback in improving the performance of the health sector in the future, it is necessary to evaluate the budget and performance achievements as outlined in government agency performance accountability reports as a form of openness and accountability for the implementation of activity programs and the use of budgets prepared to create good governance. The fact that budget absorption is low and there are performance targets that have not been achieved, one of which is caused by the weak Government Internal Control System which is not running optimally and will certainly have an impact on government performance. Based on the RI BPK Audit Report in the form of findings of control weaknesses related to the implementation of programs/activities in the entities examined which could affect the efficiency and effectiveness of the implementation

of activities, one of which occurred within the Health Office in West Java. It was found that there was a realization of expenditure of Rp. 644,743,810, - not supported by adequate evidence of accountability, double recording, the realization of spending in the general treasury book exceeding valid receipts (Zulfirman, 2021), it was found that there was a lack of volume in the nine building construction work packages at the Health Office and that the mechanism for accountability for spending on goods/services through the UP/GU/TU mechanism was not yet orderly. From the findings of internal control weaknesses, it can be seen that if the internal control system is weak, it will open up opportunities for irregularities to occur which can harm the state and hinder the realization of good governance so that it has an impact on local government performance.

To achieve economic, effective, and efficient performance, the government continues to innovate in supporting the realization of optimal good government governance, especially in managing public budgets by utilizing E-Budgeting information technology. This is in line with the theory of New Public Management (NPM) which emphasizes the existence of clear standards of work size, control over work results, clear division of tasks to lower work units, efficient use of existing resources, and high work discipline (Hood, 1991). Currently, all local governments are required to use the SIPD e-budgeting which was built and developed by the Ministry of Home Affairs based on Minister of Home Affairs Regulation number 70 of 2019 concerning Regional Government Information Systems (Pemendagri, 2019) which has the aim of encouraging the improvement of services to the public so that they are more efficient and effective as well as optimizing the implementation of better quality, fast and innovative good government governance.

Although many benefits are felt by local governments, the use of e-budgeting still has some technical and non-technical weaknesses as experienced by local governments in West Java. Non-technical constraints in the form of Standard Unit Prices (SSH) which are too low and too high from market prices, product specifications are not up to date, difficulty accessing the system caused by inputting budgets at the same time and causing server downtime, slow network, application errors and several unusable system menus (Adila & Dahtiah, 2020). Of course, this obstacle can hinder the acceleration of government performance in the preparation and realization of the government spending budget.

A good information system must have controls that are useful for preventing or maintaining possible obstacles in achieving optimal government performance (Lilis Puspitawati, 2011), (Azhar Susanto, 2016). Research conducted by (Azhar Susanto, 2016) and (A Kurniawan, 2017) shows that internal control affects the quality of accounting information systems.

Research on the performance of local government agencies that are influenced by the government's internal control system, the implementation of e-budgeting, and good government governance has been done before, but with each variable separately in different studies. Among them research conducted (Supriatna, 2016) in 23 Bandung City Government Agencies and Services focused on the role of the government's internal control system in improving apparatus performance, the results showed that the optimal implementation of the government's internal control system (SPIP) would create good government agency performance.

(Thongpaeng, 2021) conducted research on 40 local governments in the Province of Sisaket Thailand, the results of the research showed that all government internal control indicators had a positive influence on the performance of government organizations (Thongpaeng, 2021). Research (M Rayindha Prasatya Yang, 2017) and (Putra & Dwiana

Putra, 2018) shows the results of a positive influence that government performance is partially influenced by good government governance and the government's internal control system. In research (Das Prena & Deviyanti Putri, 2020) who conducted research related to the effect of E-Budgeting on the performance of the Denpasar City government, revealed that the use of e-budgeting can significantly affect government performance.

The results of research conducted by (Supriatna, 2016);(Thongpaeng, 2021);(Das Prena & Deviyanti Putri, 2020); (M Rayindha Prasatya Yang, 2017); (Putra & Dwiana Putra, 2018) contrary to several other research results including those shown in the study (Anggraeni, 2020) revealed that internal control does not affect performance. Research conducted by (Supriandi et al., 2013) also shows that transparency and participation as part of good governance do not affect performance. Negative influence results are also shown in research (Wu & Guo, 2015) conducted in China that not all organizations that implement information technology or e-government have succeeded in improving organizational performance.

The novelty in this study, apart from the presence of intervening variables, also lies in the data analysis used. The focus of this research lies in the performance of local government agencies in the health sector in managing budgets in an economical, efficient, and effective manner. The purpose of this study is to determine the direct and indirect effects of the government's internal control system and the implementation of e-budgeting on the performance of local government agencies through the implementation of good government governance and to determine the indirect effect of the government's internal control system on the implementation of good government governance and performance of local government agencies through the implementation of e-budgeting.

METHODS

According to (Uma Sekaran dan Roger Bougie, 2017), quantitative research is research that uses the scientific method where to obtain answers to the research using numbers which are then processed and analyzed using statistical calculations. The number of samples is 28 local governments. The data collection method used a questionnaire with the help of google Forms which was distributed to respondents at Health Offices throughout West Java. The questionnaire was measured using a Likert scale (1-5). Operational variables for the Government's Internal Control System variable consist of 5 dimensions namely control environment, risk assessment, control activities, information and communication, and monitoring (Pemerintah Indonesia, 2008). The variable of e-budgeting implementation is measured by 4 dimensions, namely system quality, information quality, service quality, and user satisfaction (DeLone & McLean, 2016). Good government governance implementation variables are measured by 6 dimensions, namely transparency, accountability, participation, responsibility, independence, fairness, and equality (Komite Nasional Kebijakan Governance (KNKG), 2012); (Mahsun, 2018). Government agency performance variables are measured by 3 dimensions, namely economical, efficient, and effective (Mahmudi, 2019). Hypothesis testing uses the Structural Equation Modeling (SEM)-PLS data analysis technique.

RESULTS AND DISCUSSION

Outer Model Testing (Measurement Model)

In this study, there were 4 latent variables with 18 manifest variables. The government internal control system latent variables consisted of 5 manifest variables, e-budgeting implementation consisted of 4 manifest variables, implementation of good government governance consisted of 6 manifest variables, and performance of local government agencies consisted of 3 manifest variables. Evaluation for the measurement model in SEM-PLS is carried out through convergent validity, discriminant validity, and reliability testing.

Table 1. Loading Factor Value

Construct	Loading Factor	R critical	Criteria (Loading Factor > 0.60)
X1.1 <- Government Internal Control System (X1)	0.82	0.60	Valid
X1.2 <- Government Internal Control System (X1)	0.754	0.60	Valid
X1.3 <- Government Internal Control System (X1)	0.913	0.60	Valid
X1.4 <- Government Internal Control System (X1)	0.835	0.60	Valid
X1.5 <- Government Internal Control System (X1)	0.89	0.60	Valid
X2.1 <- Implementation of E-Budgeting (X2)	0.929	0.60	Valid
X2.2 <- Implementation of E-Budgeting (X2)	0.800	0.60	Valid
X2.3 <- Implementation of E-Budgeting (X2)	0.926	0.60	Valid
X2.4 <- Implementation of E-Budgeting (X2)	0.948	0.60	Valid
Y.1 <- Performance of Local Government Agencies (Y)	0.756	0.60	Valid
Y.2 <- Performance of Local Government Agencies (Y)	0.929	0.60	Valid
Y.3 <- Performance of Local Government Agencies (Y)	0.890	0.60	Valid
Z.1 <- Implementation of Good Government Governance (Z)	0.625	0.60	Valid
Z.2 <- Implementation of Good Government Governance (Z)	0.711	0.60	Valid
Z.3 <- Implementation of Good Government Governance (Z)	0.833	0.60	Valid
Z.4 <- Implementation of Good Government Governance (Z)	0.815	0.60	Valid
Z.5 <- Implementation of Good Government Governance (Z)	0.777	0.60	Valid
Z.6 <- Application of Good Government Governance (Z)	0.764	0.60	Valid

Source: results of data processing, (2022)

Table 1. shows the loading factor values for each construct of each variable. Based on the table it can be seen that all loading factors are worth more than 0.60. So it can be concluded that based on each construct in the study has good validity. Next, the average variance extracted (AVE) test will be carried out to further strengthen the results of

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convergent validity with the criterion that if the AVE value is > 0.5 (Hair et al., 2019), then the construct used in the study is valid.

Table 2. Average Variance Extracted Value

Latent	Average Variance Extracted(AVE)	R critical	Criteria (AVE > 0.5)
Government Internal Control System (X1)	0.713	0.5	Valid
Implementation of E-Budgeting (X2)	0.815	0.5	Valid
Implementation of Good Government Governance (Z)	0.574	0.5	Valid
Performance of Local Government Agencies (Y)	0.743	0.5	Valid

Source: Results of data processing (2022)

Based on Table 2, it can be seen that the results of convergent validity are based on the average variance extracted. These results indicate that all latent variables have an AVE value of more than 0.5. This indicates that the indicators that form the latent construct have good convergent validity when viewed from the value of the average variance extracted.

Table 3. Cross Loading Discriminant Validity Test Value

	Government Internal Control System (X1)	Implementation of E-Budgeting (X2)	Implementation of Good Government Governance (Z)	Performance of Local Government Agencies (Y)
X1.1	0.820	0.165	0.429	0.583
X1.2	0.754	0.247	0.519	0.546
X1.3	0.913	0.241	0.398	0.566
X1.4	0.835	0.127	0.310	0.600
X1.5	0.890	0.070	0.390	0.528
X2.1	0.248	0.929	0.563	0.323
X2.2	-0.007	0.800	0.258	0.081
X2.3	0.213	0.926	0.431	0.272
X2.4	0.182	0.948	0.486	0.311
Z. 1	0.577	0.309	0.625	0.510
Z. 2	0.139	0.461	0.711	0.523
Z. 3	0.346	0.365	0.833	0.499
Z. 4	0.367	0.327	0.815	0.679
Z. 5	0.310	0.383	0.777	0.719
Z. 6	0.457	0.482	0.764	0.515
Y. 1	0.450	0.054	0.498	0.756
Y.2	0.620	0.361	0.781	0.929
Y.3	0.647	0.313	0.673	0.890

Source: smart-pls Data Processing (2022)

Based on Table 3, it can be seen that all manifests have a high correlation with their constructs compared to other constructs. So it can be concluded that the research model has good discriminant validity on cross-loading discriminant validity.

Table 4. Cronbach's Alpha Value and Composite Reliability

Latent	Cronbach's Alpha	Composite Reliability
Government Internal Control System (X1)	0.898	0.925
Implementation of E-Budgeting (X2)	0.927	0.946
Implementation of Good Government Governance (Z)	0.849	0.889
Performance of Local Government Agencies (Y)	0.825	0.896

Source: results of data processing, (2022)

Based on Table 4, it is known that there is a latent construct that has a Cronbach's alpha value and composite reliability greater than 0.7 which indicates that the model has good reliability.

Structural Model Testing (Inner Model)

Table 5. R Square

	R Square	Strong Relationship
Implementation of E-Budgeting (X2)	0.043	Weak
Implementation of Good Government Governance (Z)	0.417	Moderate
Performance of Local Government Agencies (Y)	0.712	Strong

Source: results of data processing, (2022)

Based on table 5. above shows the magnitude of the influence of exogenous variables on endogenous variables. The government's internal control system variable influences the implementation of e-budgeting by 4,3%. While the remaining 95,7% is influenced by other variables not examined in this study. The R-square for the good government governance variable is 0,417, which means that the government's internal control system influences good government governance by 41,7% while the remaining 58,3% is influenced by other variables outside this study. The R-Square value of the performance variable for local government agencies is 0.712, meaning that the government's internal control system affects the performance of government agencies through the implementation of e-budgeting and the implementation of good government governance by 71,2%.

Table 6. Effect Size

Variable	Effect Size	Ratings
Implementation of E-Budgeting (X2)		
Government Internal Control System (X1)	0.045	Small
Implementation of Good Government Governance (Z)		
Government Internal Control System (X1)	0.266	Moderate
Implementation of E-Budgeting (X2)	0.302	Moderate
Performance of Local Government Agencies (Y)		
Government Internal Control System (X1)	0.384	Big
Implementation of E-Budgeting (X2)	0.026	Small
Implementation of Good Government Governance (Z)	0.808	Big

Source: results of data processing, (2022)

Based on table 6. It is known that the government's internal control system has a small category of influence on the performance through e-budgeting with an effect size

value of 0,045. The government's internal control system variable has a moderate category influence on the performance through good government governance with an effect size value of 0,266. The e-budgeting implementation has a moderate category influence on performance through good government governance of 0,302. The SPIP variable has a large category of influence on the performance of local government agencies with an effect size value of 0,384. The e-budgeting implementation variable has a small category influence on the performance of local government agencies with an effect size value of 0,026 and the good government governance has a large category influence on the performance with an effect size value of 0,808.

Hypothesis testing

Hypothesis testing in this study was carried out using the path coefficient, t-value, and p-value. To assess the significance and predictions in hypothesis testing, it can be seen the path coefficient and t-value (Kock, 2016). According to Kock (2016), evaluating predictions and significance in hypothesis testing can be seen by the p-value (Kock, 2016). The significance level is taken at the 5% error level or T above 1.96. The magnitude of the significance value between the variables tested is presented in the form of the value contained in the arrow that connects one of the variables to the variable that is the goal.

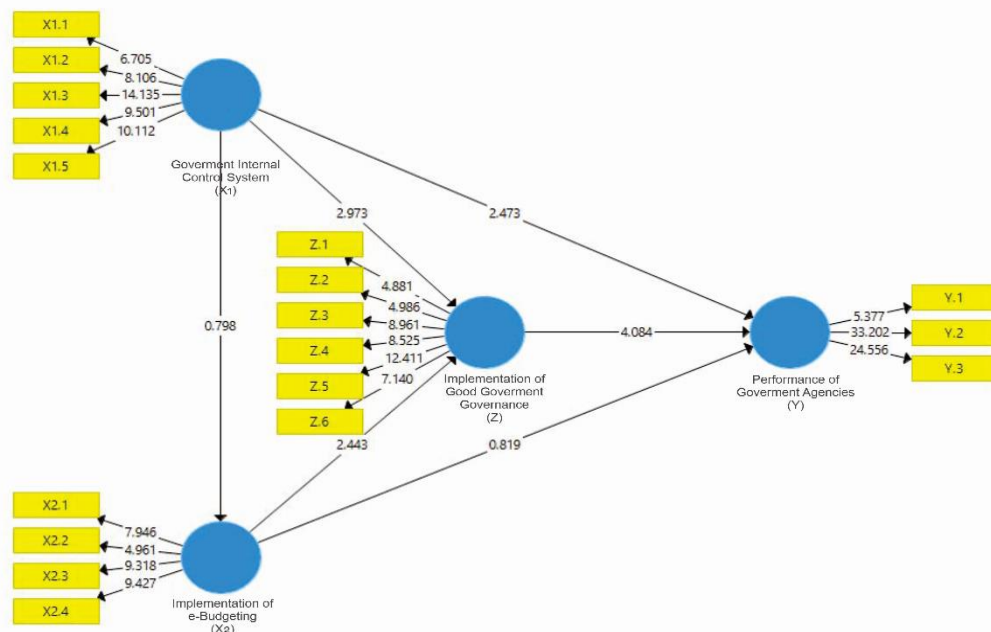


Figure 2. Structural Model (path coefficient, beta)
Source: Data processing output using SmartPLS (2022)

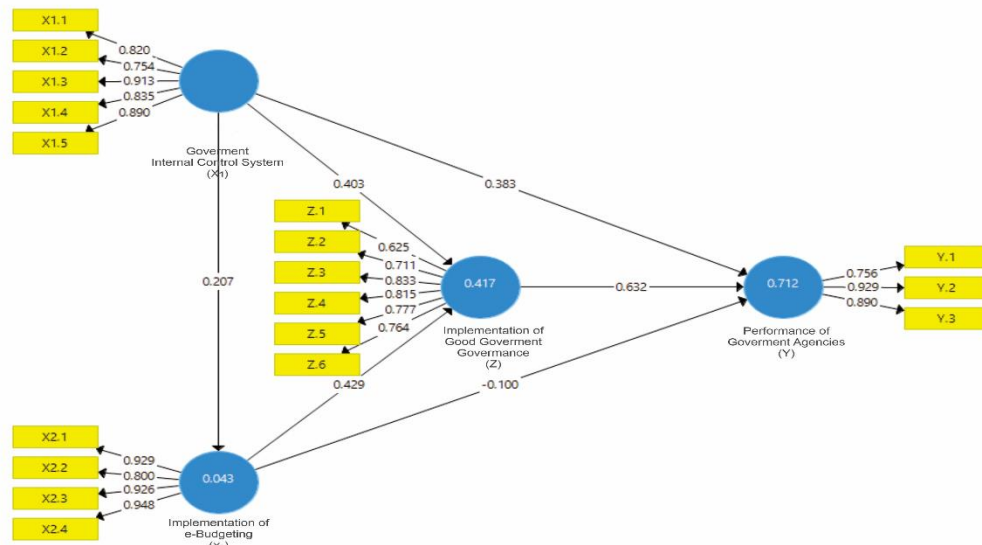


Figure 3. Significance Value (t-count)

Source: Data processing output using SmartPLS (2022)

Table 7. Path Coefficient and t-count Between Variables

	<i>Original Sample(O)</i>	<i>t-Statistics</i>	<i>p-values</i>	Conclusion
SPIP -> Implementation of E-Budgeting	0.207	0.798	0.425	Accept H0
SPIP -> Implementation of Good Government Governance (GGG)	0.403	2,973	0.003	Reject H0.
Implementation of e-Budgeting -> Implementation of GGG	0.429	2,443	0.015	Reject H0.
SPIP -> Performance of Local Government Agencies (KIPD)	0.383	2,473	0.014	Reject H0
Implementation of e-Budgeting -> KIPD	-0.100	0.819	0.413	Accept H0.
Application of GGG -> KIPD	0.632	4,084	0.000	Reject H0
SPIP -> GGG Implementation ->KIPD	0.254	1,975	0.049	Reject H0
SPIP -> E-Budgeting Implementation -> GGG Implementation	0.089	0.890	0.374	Accept H0
SPIP -> implementation of e-budgeting -> KIPD	-0.021	0.357	0.721	Accept H0
Implementation of e-Budgeting -> Implementation of GGG-> KIPD	0.271	2,451	0.015	Reject H0

Source: bootstrapping method output with SmartPLS (2022)

The Influence of the Government's Internal Control System on the Implementation of E-budgeting.

From the results of Table 7 above, the influence of the Government's Internal Control System on the implementation of e-budgeting is positive or unidirectional but not

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significant. Thus, HA is rejected, meaning that the Government's Internal Control System has no significant positive effect on the implementation of e-budgeting at the Health Service in the West Java region. The results of this study are in line with the results of research conducted by (Eka Nurmala Sari, Muhyarsyah, 2020) which states that there is no influence between the government's internal control system on the application of regional financial information systems.

The Effect of Government Internal Control Systems on the Implementation of Good Government Governance.

From the results of Table 7, the direction of influence from the implementation of the Government Internal Control System (SPIP) on the implementation of good government governance is positive or unidirectional and significant, decided to accept HA. Thus it can be concluded that the government's internal control system has a significant positive effect on the implementation of good government governance in the regional government of the Health Service in the West Java region. The results of this study provide empirical evidence that the stronger the government's internal control system, the better the implementation of good government governance. These results are in line with the results of research conducted by (Mihaela & Iulian, 2012) and (Wafa et al., 2020) which say that the government's internal control system has a positive effect on the implementation of good government governance.

The Effect of E-Budgeting Implementation on the Implementation of Good Government Governance.

From table 7, it is known the direction of influence from the implementation of e-Budgeting on the implementation of good government governance is positive or unidirectional and significant, then decided to accept HA. Thus it can be concluded that the implementation of e-budgeting has a significant positive effect on the implementation of good government governance. The results of this study provide empirical evidence that the better the implementation of e-budgeting, the better the implementation of good government governance. The results of this study are in line with research results (Gunawan, 2016) which state that the implementation of e-budgeting information system technology has created transparency and accountability in budget management as seen by the publication of the overall provision of budget information.

The influence of the government's internal control system on the performance of local government agencies.

From table 7, it is known the direction of influence from the implementation of the Government's Internal Control System on the performance of local government agencies is positive or unidirectional and significant, so decided to accept HA. Thus it can be concluded that the government's internal control system has a significant positive effect on the performance of local government agencies at the Health Office in the West Java region. The results of this study provide empirical evidence that the stronger the government's internal control system, the better the performance of local government agencies at the Health Service in the West Java region.

The results of this study are in line with research conducted by (Putra & Dwiana Putra, 2018); (Supriatna, 2016); (Yudhasena et al., 2019); and (Thongpaeng, 2021) which states that the government's internal control system for improving apparatus performance

shows that the implementation of the government's internal control system (SPIP) which runs optimally will create good government agency performance.

The Effect of E-Budgeting Implementation on the Performance of Local Government Agencies

From table 7, it is known the direction of influence from the implementation of e-Budgeting on the performance of local government agencies is a negative or opposite direction and not significant, so it was decided to reject HA. Thus it can be concluded that the implementation of e-budgeting has no significant positive effect on the performance of local government agencies at the Health Office in the West Java region. The results of this study are in line with research (Nasir & Oktari, 2011) who conducted research related to the effect of information technology on performance, this research showed a negative relationship between the use of information system technology and its use did not affect improving the performance of local government agencies.

The argumentative reason e-budgeting is not able to influence performance is that e-budgeting is a tool used in preparing budgets, used by humans, if human resources are less able to apply technology and are not optimal in preparing plans to achieve performance, then the use of information technology is not very helpful in achieving performance.

The Influence of the Implementation of Good Government Governance on the Performance of Local Government Agencies

From table 7, it is known the direction of influence from the implementation of good government governance on the performance of local government agencies is positive or unidirectional and significant, so decided to accept HA. Thus it can be concluded that the implementation of good government governance has a significant positive effect on the performance of local government agencies at the Health Office in the West Java region. The results of this study provide empirical evidence that the better the implementation of good government governance, the better the performance of local government agencies at the Health Service in the West Java region. The results of this study support research conducted by (M Rayindha Prasatya Yang, 2017) and (Putra & Dwiana Putra, 2018) which also revealed that the better the local government implements good governance, the better the performance of the local government.

The Influence of the Government's Internal Control System on the Performance of Local Government Agencies Through the Implementation of Good Government Governance

From table 7, it is known that the direction of influence from the implementation of the Government Internal Control System (SPIP) on the performance of local government agencies through the implementation of good government governance is positive or unidirectional and significant, then it was decided to accept HA. Thus it can be concluded that indirectly through the implementation of good government governance, the government's internal control system has a significant positive effect on the performance of local government agencies in the West Java region. The results of this study provide empirical evidence that the better the Government's Internal Control System, the better the implementation of good government governance which will have an impact on the better performance of local government agencies at the Health Office in the West Java region.

The Influence of the Government's Internal Control System on the Implementation of Good Government Governance Through the Implementation of E-Budgeting

From table 7, it is known the direction of influence from the implementation of the Government Internal Control System on the implementation of good government governance through the implementation of e-budgeting is positive or unidirectional and not significant, then it was decided to reject HA. The results of this research are in line with research conducted by (Eka Nurmala Sari, Muhyarsyah, 2020) which states that there is no influence between the government's internal control system on the implementation of regional financial information systems. The results of this study are also in line with (Juliar & Dahtiah, 2020) which states that the implementation of e-budgeting does not have much influence on the implementation of good-government governance. Thus, without an e-budgeting information system, as long as the government's internal control system is good, the implementation of good government governance will be better.

The Influence of the Government's Internal Control System on the Performance of Local Government Agencies Through the Implementation of E-Budgeting

From table 7, it is known the direction of influence from the implementation of the Government Internal Control System on the performance of local government agencies through the implementation of e-budgeting is the negative or opposite direction and not significant, then it was decided to reject HA. The results of this study are in line with the research results (Eka Nurmala Sari, Muhyarsyah, 2020) that the government's internal control system does not affect the quality of the information system which is an indicator of e-budgeting implementation. Research result (Nasir & Oktari, 2011), (Wu & Guo, 2015) also states that not all information technology is successful in improving performance. So it can be concluded that the implementation of e-budgeting, which is part of information technology, cannot strengthen the influence of the government's internal control system on the performance of local government agencies.

The Effect of E-Budgeting Implementation on the Performance of Local Government Agencies Through the Implementation of Good Government Governance

From table 7, it is known the direction of influence from the implementation of e-Budgeting on the performance of local government agencies through the implementation of good government governance is positive or unidirectional and significant, it was decided to accept HA. The implementation of e-budgeting will be able to improve performance if it is supported by the implementation of good governance. This is in line with the research results (Dito A. D Nasution, 2019) which states that the implementation of e-budgeting is a form of innovation and reform in the financial sector that encourages the creation of good governance so that it can improve government performance.

CONCLUSION

From the results of hypothesis testing and discussion, it was concluded that the Government's Internal Control System has a direct influence on the implementation of good government governance and the performance of local government agencies. The direct effect is also shown in the implementation of e-budgeting variables on the implementation of good government governance. The implementation of Good Government Governance has a direct effect on the performance of local government agencies. The government's

internal control system does not directly affect the implementation of e-budgeting. Implementation of e-budgeting does not affect the performance of local government agencies. The government's internal control system indirectly influences the performance of local government agencies through the implementation of good government governance. The implementation of e-budgeting does not directly affect the performance of local government agencies through the implementation of good government governance. The government's internal control system has no effect on the performance and implementation of good government governance through the implementation of e-budgeting.

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