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Effect of Accountability, Transparency and Supervision on Budget Performance

Efecto de la rendición de cuentas, la transparencia y la supervisión en el rendimiento del presupuesto

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RESUMEN

Esta investigación tiene como objetivo examinar el efecto de la rendición de cuentas, la transparencia y la supervisión en el rendimiento presupuestario del concepto Value for Money. Investigación realizada en 43 unidades de trabajo locales en la Región de Capital Especial (DKI) Provincia de Yakarta. La muestra de la investigación consta de 86 funcionarios gubernamentales y se utiliza el análisis de modelado de ecuaciones estructurales (SEM) para probar la hipótesis. El resultado de esta investigación demostró que la rendición de cuentas y la supervisión tienen un efecto significativo en el rendimiento presupuestario del concepto Value for Money, mientras que la transparencia no mostró ningún efecto sobre la eficacia en el rendimiento presupuestario del mismo.

Palabras clave: Relación calidad-precio, responsabilidad, supervisión, transparencia.

ABSTRACT

This research aims to examine the effect of accountability, transparency, and supervision on-budget performance of the Value for Money concept. The research was conducted on 43 local work units in Special Capital Region (DKI) Jakarta Province. The sample of the research consists of 86 government officials using Structural Equation Modeling (SEM) analysis to test the hypothesis. The result of this research-proven that accountability and supervision have significantly affected the on-budget performance of the Value for Money concept, while transparency showed no effect on the effectiveness on-budget performance of the same concept.

Keywords: Accountability, Supervision, Transparency, Value for Money.

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INTRODUCTION

As a policy catalyst, the government should strive for extraordinary progress in restoring the confidence of its citizens, as well as fostering the inclusive socio-economic development of its people. However, in the publication of the Semester Examination Results Summary, the Audit Board of the Republic of Indonesia (BPK) has never been absent in finding problems of in economically, inefficiency, and ineffectiveness in the implementation of central and regional government activities (Abebe: 2012). As a consequence, in three years the government experienced 361 in economical with losses of IDR 6.24 trillion, 382 inefficient problems with losses of IDR 21.33 trillion, and 9,259 ineffective problems with losses of IDR 11.76 trillion shown in Table 1.

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	Cases	Percentage	Loss (IDR Million)	Percentage
In economically				
(Year)				
2015	133	36,84	3.044.840,91	48,75
2016	147	40,72	2.902.978,82	46,48
2017	81	22,44	297.505,75	4,77
Total	361	100,00	6.245.325.48	100,00
Inefficiency				
(Year)				
2015	93	24,35	8.164.543,25	38,28
2016	247	64,66	12.540.021,93	58,79
2017	42	10,99	625.385,08	2,93
Total	382	100,00	21.329.950.26	100,00
Ineffectiveness				
(Year)				
2015	2.818	30,43	2.245.429,68	19,10
2016	3.580	38,67	5.505.729,35	46,83
2017	2.861	30,90	4.005.938,72	34,07
Total	9.259	100,00	11.757.097.75	100,00

Source: The Audit Board of the Republic of Indonesia (BPK, RI).

Table 1. Problems of Inefficiency, Inefficiency, and Ineffectiveness

Based on Table 1, the problem challenges the government to form a culture that is oriented to increasing budget performance that is more economical, efficient, and effective, or has a Value for Money concept. The National Audit Office (NAO) of the United Kingdom (2016) defines Value for Money as an optimization of resources to achieve the expected results. NAO interprets the word 'optimal' as the most likely outcome given by the government based on the results that are most likely to be desired by the public. In HM Treasury (2006), NAO assesses Value for Money in the 3E criteria: economy, efficiency, and effectiveness.

The government must assess whether a project represents the concept of Value for Money or not (OECD: 2010). OECD publication (2016) recommends the Indonesian government to apply Open Government policies. OECD (2016) defines Open Government policy as a tool to improve the quality of democratic life in

a country to improve the fulfilment of people's needs. The main points of the Open Government policy include: (1) ensuring better policy outcomes; (2) increasing the efficiency and effectiveness of policies; (3) improve compliance with policies and regulations; (4) encouraging inclusive socio-economic development; and (5) fostering innovation (OECD: 2016). The Indonesian government's initiative to implement Open Government policies is in line with the concept of Value for Money.

Abebe (2012) states that efficiency in carrying out public interests is very important to ensure that maximum results from the budget are achieved by public institutions. Abebe (2012) shows that the three main principles in the implementation of effective public interests and good management are EAT (Efficiency, Accountability and Transparency). Likewise, in the Open Government Indonesia reform analysis, OECD (2016) designed four policy principles, namely public involvement, transparency, accountability and integrity. These two principles underline the importance of accountability and transparency. However, the commitment of the Indonesian government to carry out the mandate of Article 1945 Constitution (23-1), which stipulates that the state budget "must be carried out openly and accountably" has not yet been fully achieved. By taking into account the government's commitment in the third phase of the 2015-2019 National Medium-Term Development Plan (RPJMN), and the sustainability of the Nawa Cita Program in the second point, namely, building a government that is "clean, effective, democratic, and reliable", transparency of government performance is considered important. However, Indonesia received an Exchange of Information Rating (EOIR) in the form of partially compliant, which means fail to meet commitment (Choirun: 2017). EOIR is based on the disclosure of financial information to Indonesian government agencies.

On the one hand, research conducted by Demirag & Khadaroo (2011) using four measurements of accountability criteria namely, warrantability, tractability, measurability, and feasibility concluded that improvements in accountability would increase Value for Money on the UK's Private Finance Initiative (PFI). Meanwhile, Liu et al. (2016) comparative analysis research on Public-Private Partnerships (PPP) in Australia and China concluded that the dimensions of transparency and accountability affect the effectiveness and efficiency of the PPP tender process. Whereas in the context of Christensen & Læg Reid's (2015) research on the Norwegian government concluded that there is a mutual relationship between accountability and performance with a specialization in public administration reform. Meanwhile, Solikhin et al. (2015) studied the management of the 2014 fiscal budget of the Kediri Regency government stated that the supervision policy had an effect on efficiency and effectiveness.

Solikhin et al. (2015) explain that the supervision policy is more directed within a decentralized policy framework that is loaded with values of efficiency and effectiveness for the benefit of the central government as a party to supervise. By observing this series of literature, it appears that there is potential that accountability, transparency and supervision will affect budget performance with the Value for Money concept. Pertiwi & Satriawan Research (2015) shows that budget management with a Value for Money concept in the Riau Province's local government work unit is affected by the dimensions and indicators of accountability, transparency, and supervision. However, in the results of Putra's research (2017) in Indragiri Hulu Regency, accountability does not affect the financial management of the local government. However, based on the results of a literature review conducted to date, there has been no research examining the effect of these four variables on the local government work units of DKI Jakarta Province.

Local Development Planning Agency (Bappeda: 2018) of the DKI Jakarta Province recorded an increase of 102% in regional expenditure, from 31.55 trillion in 2012 to 63.63 trillion in 2017. Within six years, the three largest expenditure components were in employee expenditure amounting to Rp.86.1 trillion (32%), followed by on service/goods expenditure (29%) amounting to Rp.79 trillion, then capital expenditure (25%) of Rp.68.62 trillion. This is contrary to the principle of expenditure according to the Ministry of Home Affairs, which should be prioritized for public spending. At least public spending must be 70 percent of the APBD (Rahardian: 2015). Employee expenditure is considered not classified as public expenditure and is indirect expenditure.

Based on the description above, the performance of the budget in the order of the DKI Jakarta Province Government is questionable. More specifically, this study knows the extent to which local work units of DKI Jakarta are operating economically, efficiently and effectively. Whereas in the context of transparency, based on the Corruption Perception Index (IPK) conducted by Transparency International in 2017 in 12 major cities in Indonesia, the results of the City of North Jakarta (73.9) are considered as the cleanest cities. This result shows that transparency in the North Jakarta government is good. However, transparency in the DKI Jakarta Province Government as a whole need to be studied. Given that Indonesia is heading towards the development of an "open country", this research is important to translate the commitment to openness at the regional level, especially DKI Jakarta. In addition, Value for Money as a benchmark for strategic work results on the performance of the government budget in achieving the goals and objectives of public services is the urgency of applying the principles of good governance.

Therefore, this study aims to determine and analyze the performance of the budget concept of Value for Money in local government work units of the DKI Jakarta Province. Specifically, firstly, the effect of accountability on-budget performance has a Value for Money concept in local government work units of the DKI Jakarta Province. Second, the effect of transparency on the budget performance concept of Value for Money in local government work units of the DKI Jakarta Province. Third, the effect of supervision on the performance of the budget concept of Value for Money in local government work units of the DKI Jakarta Province.

LITERATURE REVIEW

New Public Management (NPM) theory

Public sector reform, one of which was marked by the emergence of the New Public Management era, has encouraged efforts in various countries to develop a more systematic approach to state budget planning (Jaelani: 2015, pp. 1-16; Ahmad & Ahmad: 2019, pp. 746-778). Hood (1991) illustrates that politicians will inherently or innately use government positions to enrich themselves, their colleagues, and their relations. Therefore, Hood (1995) considers that this description is not in accordance with the rules of the public sector that should be trusted to serve the community, which then produces high-cost but high-quality low-quality public sector services. The description brings the New Public Management (NPM) as a concept of integrated public accountability reforms from improving performance-based efficiency and effectiveness. New Public Management (NPM) highlights how the performance carried out by government institutions in terms of budget management that focuses on achieving effectiveness, efficiency and emphasizes the quality, mission and values to be achieved by public organizations. This feature is in accordance with the concept of Value for Money.

Public finance theory

Musgrave's (1959) normative approach to public finance focuses on the study of government economic activities. Musgrave (1959) emphasized two main principles related to what should be done by good governance (what a good government should do) namely, efficiency and economic equality. The term "public finance" describes all activities (the government) in finding sources of funds (sources of funds) and how these funds are used (uses of funds) to achieve government objectives (Ahmad & Ahmad: 2018, pp. 44-49; Jaelani: 2015, pp. 1-16). Musgrave (1959) debated two functions of public finance, namely: the allocation function and the distribution function. The allocation function is about how the government uses its budget so that the results obtained can be felt by all individuals. In other words, individuals do not compete (nonrival). Then, the distribution function regarding the efficiency of budget use is related to income distribution. This perspective is in accordance with the concept of Value for Money, where the concept of Value for Money strives for maximum results with limited resources.

Budget performance with the value for money concept

Lukito (2014) explained that there are three types of interrelated indicators in the Value for Money concept, namely: indicators of input, output, and outcomes. The relationship between inputs, activities (processes), outputs, and outcomes will assess efficiency and effectiveness, or Value for Money. Mardiasmo (2011) explains that the objectives desired by the community include accountability regarding the implementation of Value for Money, namely, economical (provident) in the procurement and allocation of resources, efficient in the use of resources in the sense that the use is minimized and the results are maximized (maximizing benefits and minimizing costs), and effective in the sense of achieving goals and objectives.

Meanwhile, NAO in HM Treasury (2006) defines Value for Money as an optimization of resources to achieve the expected results. NAO elaboration on the concept of Value for Money is contained in four pillars, namely: economy—spending less by minimizing the cost of inputs or resources used, efficiency—spending well by matching outputs with resources to produce them with an appropriate budget, effectiveness—spending wisely by matching expected results of expenditure with actual results wisely, and equity—spending fairly, the extent to which government services are available and can be reached by the entire community. Some people may receive different levels of service for various reasons.

Accountability, transparency and supervision

Accountability is a form of obligation for the organizers of public activities to be able to explain and answer all matters relating to the steps of all decisions and processes carried out, as well as accountability for the results and performance (Lukito: 2014). Measurement of government accountability is often done by using a comparison between planning and realization (Moeherson, 2012; Ahmad & Sahar: 2019, pp. 1540-1543). In terms of transparency, budget documents must be open, transparent and accessible. Citizens, civil society organizations, and other stakeholders must be able to access budget reports in a full and timely manner (OECD: 2016a,b). In Government Regulation Number 79 of 2005 which states that supervision of the implementation of Regional Government is a process of activities aimed at ensuring that the Regional Government runs efficiently and effectively in accordance with the plans and provisions of the legislation.

The effect of accountability on budget performance with the value for money concept in local government work units of DKI Jakarta province

Demirag & Khadaroo (2011) concluded that there is a relationship between accountability and Value for Money in the UK's Private Finance Initiative (PFI), and Christensen & Lægheid (2015) shows a mutual relationship between accountability and performance in the Norwegian government. In this case, accountability is focused on the fact that the government is obliged to explain to the people where the public budget ends and where the impact of the budget is on people's welfare. This obligation refers to the basic purpose of a government, which is to serve the community. Thus, the higher the accountability, the higher the performance of the budget for the Value for Money concept.

H1: There is a positive effect of Accountability on Budget Performance with the Value for Money Concept in local government work units of DKI Jakarta Province.

The effect of transparency on budget performance with the value for money concept in local government work units of DKI Jakarta province

Abebe (2012) on Public Procurement in Ethiopia and research by Liu et al. (2014) on Public-Private Partnerships in Australia and China show a positive correlation between transparency and efficiency on the effectiveness of government budget performance, where efficiency and effectiveness are classified as two indicators from the concept of Value for Money. In addition, transparency is important to achieving budget performance with the concept of Value for Money based on the people's need to know what and how the government plans, and uses financial resources. The public has the right to access reports on the realization

of their regional budgets easily and reliably. So, the higher the transparency, the higher the performance of the budget for the Value for Money concept.

H2: There is a positive effect of Transparency on Budget Performance with the Value for Money Concept in local government work units of DKI Jakarta Province.

The effect of supervision on budget performance with value for money concept in local government work units of DKI Jakarta province

Solikin et al. (2015) in the Kediri Regency government, states that supervision affects the value of efficiency and effectiveness. Then, Putra (2017) shows that financial supervision has a positive and significant effect on financial management in local government work units of Indragiri Hulu Regency. As for the supervision in achieving the performance of the budget with the concept of Value for Money, the role is to guarantee that all government activities run as they should, according to the time and budget targets. Then, the higher the supervision, the higher the performance of the budget for the Value for Money concept.

H3: There is a positive effect of Supervision on Budget Performance with the Value for Money Concept in local government work units of DKI Jakarta Province.

METHODS

The population in this study is the DKI Jakarta Provincial Government apparatus that carries out budget management on 43 in Local Government Work Units (SKPD) as the grantor of recommendations for grant expenditure, social assistance and financial assistance for the fiscal year 2019. The selection of this population is based on the Decree of the Governor of DKI Jakarta Province Number 578 the Year 2018. With regard to the breadth of the scope of the study, the determination of the sample is done using the saturated sample method or the census method. Therefore, each Local Government Work Units (SKPD) is represented by two samples consisting of the Head of Service and the Head of Finance. Thus, the number of samples in this study were 86 government officials in 43 Local Government Work Units (SKPD) as the grantor of recommendations for grant expenditure, social assistance and financial assistance in the fiscal year 2019. The type of data in this study is primary data in the form of a questionnaire with a Likert Scale size that is, Strongly Agree (SS) was given a score of 5, Agree (S) was given a score of 4, Neutral (N) was given a score of 3, Disagree (TS) was given a score of 2, and Strongly Disagree (STS) was given a score of 1. Data processing techniques using Partial Least Square (PLS) on the questionnaire, which is composed of 38 items structured statements based on dimensions and indicators of the operationalization of variables shown in Table 2.

Variable	Dimension	Indicator
Y: Budget Performance with the Value for Money Concept	1. Allocation of economic costs and efficiency	VFM01: budget for public use
		VFM02: budget is managed economically
	2. Quality of service effectiveness (Mardiasmo, 2011))	VFM03: budget is managed efficiently
		VFM04: budget is managed effectively
		VFM05: budget is managed fairly and equally
		VFM06: budget is not concentrated by groups

		<p>VFM07: there is a role for government</p> <p>VFM08: shopping for public use</p> <p>VFM09: budget is used efficiently, sparingly</p> <p>VFM10: principled budget 3E</p> <p>VFM11: VFM achieves Good Governance</p> <p>AK1: involvement of community elements</p> <p>AK2: budget is presented openly, quickly, precisely</p> <p>AK3: public interest is the main concern</p> <p>AK4: people need to know budget documents</p> <p>AK5: budget evaluation of performance indicators</p> <p>AK6: the budget process is monitored continuously</p> <p>AK7: inclusion of past information</p> <p>AK8: Budget evaluation compares realization</p> <p>AK9: vertical and horizontal liability</p> <p>TR1: budget announcement to the public</p> <p>TR2: providing budget information to the public</p> <p>TR3: easy access to budget documents</p> <p>TR4: difficulty in accessing budget documents (bureaucratic)</p> <p>TR5: Development Planning Conference for increasing transparency</p> <p>TR6: accountability report on time</p> <p>TR7: proposal accommodation / popular vote</p> <p>TR8: Budget announcements are obtained every time</p> <p>TR9: Budget announcements are easy to get</p> <p>PE1: input budget preparation</p>
<p>X₁: Accountability</p>	<ol style="list-style-type: none"> 1. Legal accountability and honesty 2. Process accountability 3. Program accountability 4. Accountability policy (Mahmudi, 2013) 	
<p>X₂: Transparency</p>	<ol style="list-style-type: none"> 1. Information is adequate 2. There is access to information 3. Increased public knowledge of governance 4. Increased public confidence (Sedarmayanti, 2011) 	
<p>X₃: Supervision</p>	<ol style="list-style-type: none"> 1. Supervision input 	

2. Supervision	Behavioural	PE2: budgetary basic community aspirations
3. Supervision outputs (Siagian, 2014)		PE3: internal and external budget supervision PE4: routine budgetary supervision by the Inspectorate PE5: leaders assess subordinate's budget performance PE6: DPRD supervise budget mechanism PE7: preventive, repressive supervision by the DPRD PE8: The Audit Board (BPK) assignment to supervise the budget PE9: Priority scale budget revisions

Table 2. Summary of Operationalization of Variables

RESULTS

Descriptive statistics

The results of tabulation of the characteristics of respondents showed in Table 3 that 45 female respondents (52.33%) had a higher frequency than male respondents as many as 41 people (47.67%). Based on the age characteristics, respondents were dominated by age over 40 years by 44 people (39.53%). As for the level of education, respondents with bachelor degree dominated with a percentage of 53.49% or as many as 46 people.

	Number of Respondents	Percentage
Gender		
Male	41	47,67
Female	45	52,33
Age		
25 - 30	21	24,42
31 - 40	31	36,05
>40	34	39,53
Last education		
Diploma 3 degree (D3)	12	13,95
Bachelor degree (S1)	46	53,49
Master degree (S2)	28	32,56

Source: Data tabulation, (2020).

Table 3. Characteristics of Respondents

Based on Table 3 show age characteristics, respondents were dominated by age over 40 years by 44 people (39.53%). As for the level of education, respondents with bachelor degree dominated with a percentage of 53.49% or as many as 46 people.

Evaluation of the measurement model (Outer model)

This evaluation assesses the validity and reliability of the model. First, the convergent validity test is evaluated by the outer loadings of each indicator that measures the construct. A loading factor of 0.5 to 0.6 can be considered sufficient (Latan & Ghozali: 2015). Therefore, all indicators are declared valid show in Figure 1.

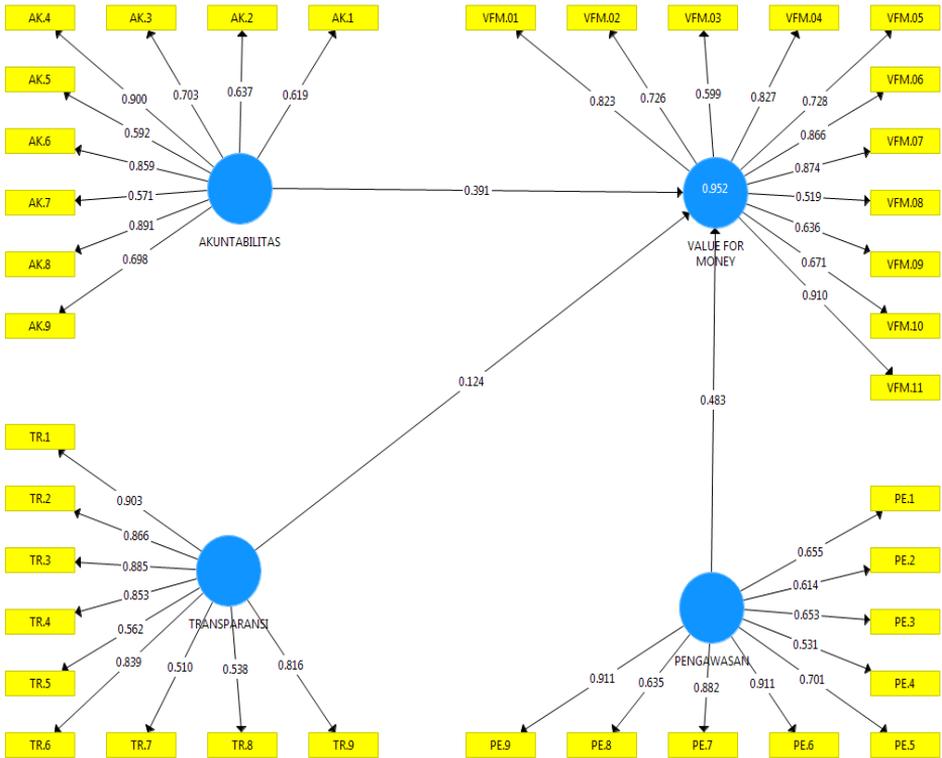


Figure 1. The output of the path diagram (SmartPLS Result (2020))

Based on Figure 1, the discriminant validity test with Average Variance Extracted (AVE) to measure the level of variance of a construct component compiled from its indicators by adjusting the error rate. The recommended minimum AVE value is 0.5 (Latan & Ghozali: 2015). Thus, all data is said to be a reliable show in Table 4 as a following:

	<i>Composite Reliability</i>	<i>Cronbach's Alpha</i>	<i>AVE</i>
Accountability (AK)	0.90860	0.88645	0.53208
Transparency (TR)	0.92550	0.90574	0.58996
Supervision (PE)	0.91033	0.88794	0.53855
Budget Performance with Value for Money Concept (VFM)	0.93357	0.92047	0.56738

Source: SmartPLS Result (2020).

Table 4. Value of Composite Reliability and Cronbach's Alpha

Based on Table 4 show that the composite reliability and Cronbach's alpha test of the indicator block that measures the construct. The construct is stated to be reliable if both of them are above 0.7 (Latan & Ghazali: 2015).

Hypothesis testing

Evaluation of the structural model (Inner model)

This evaluation examines the presence or absence of effect between constructs. P-values to determine the significance of the structural path coefficient parameters and R-Square to determine the effect of the independent latent variable on the latent dependent variable, whether it has a substantive effect show in Table 5.

	Parameter Coefficient	T Statistics	P Values	Information
AK → VFM	0.39067	4.00928	0.00004	H ₁ is accepted
TR → VFM	0.12424	1.39062	0.08248	H ₂ is rejected
PE → VFM	0.48341	5.57108	0.00000	H ₃ is accepted

Source: SmartPLS Result (2020).

Table 5. Hypothesis testing

Based on Table 5, to conclude whether the hypothesis is accepted or rejected, the P-Values value is used at the significance $\alpha = 0.05$ (5%). If the P-Value < 0.05 , then the hypothesis is accepted or there is an effect. Conversely, if the P-Value ≥ 0.05 then the hypothesis is rejected or there is no effect. Thus, it can be seen that the accountability and supervision variables have a significant effect on the performance of the budgeting with Value for Money concept. Meanwhile, the transparency variable with a significance level of 0.05 (5%) has no effect on the performance of the budgeting with Value for Money concept. However, at the significance level of 0.1 (10%), the transparency variable has an effect on budget performance with the concept of Value for Money. This can be seen from the P-Values value of 0.08248 < 0.1 .

As for the path parameter coefficient seen that explains the results of the relationship between constructs or between variables. This coefficient shows the effect of exogenous latent variables on endogenous latent variables. Supporting H₁ research, the effect of accountability on-budget performance with the concept of Value for Money, path parameter coefficient of 0.39067 with t-statistic value 4.00928 > 1.96 at the significance level $\alpha = 0.05$ (5%) states that there is a positive and significant effect between accountability on-budget performance with the concept of Value for Money. The results of this study are consistent with previous research by Demirag & Khadaroo (2011), Christensen & Lægneid (2015), and Pertwi & Satriawan (2015). The proof of this hypothesis indicates the importance of accountability within the body of government officials. This result is in line with the exposure of the New Public Management Theory, which emphasizes high discipline in accountability for the use of the budget. This result also proves the government's seriousness in achieving the goals set forth in National Medium-Term Development Plan (RPJMN) III of 2015-2019 and the Nawa Cita Program carried by the government in the second point that is, making government absent by building clean, effective, democratic and reliable governance, by giving priority to efforts to restore public trust.

Accountability for budget use is a central issue that affects budget performance with the Value for Money concept that is implemented by local government work units of DKI Jakarta as the recipient of a grant of the local government budget (APBD). Then, the higher the accountability carried out by the local government work units of DKI Jakarta in explaining and answering all matters relating to the use of the budget, the higher the performance of the budget implementation concept Value for Money.

Meanwhile, the path parameter coefficient obtained from the effect of transparency on-budget performance with the concept of Value for Money is 0.12424 with a statistical value of 1.39062 < 1.96 at the significance level $\alpha = 0.05$ (5%) which states that there is no significant effect between transparency on-budget performance with Value for Money concept. Thus, the initial assumption stating that there is an interaction between transparency in affecting budget performance with the Value for Money concept in local government work units of DKI Jakarta is not proven.

The reason for the unsuccessful acceptance of H2 at 5% significance is that not all local government work units of DKI Jakarta carry out budget transparency in terms of overall disclosure regarding budget announcements to the public. The results of this study prove the condition of one of the phenomena raised in this study that in 2017 Indonesia received an Exchange of Information Rating (EOIR) in the form of partially compliant. The local government work units of DKI Jakarta has not been proven to have carried out disclosure of financial information in a good and comprehensive manner to the public.

Jakarta is heading for a transparent government (Open Government Indonesia: 2017). The DKI Jakarta Province Government has provided various data portals to facilitate the public to access government administration information. One of them is the Open Data Portal (data.jakarta.go.id) and KPI Jakarta (KPI.jakarta.go.id). Both of these websites carry the same theme, which is to increase public trust by easily monitoring and evaluating government performance online. Open Government Indonesia (2017) explains that the Open Data Portal is an Integrated Data Portal that presents data from all local government work units of DKI Jakarta. Likewise, the Jakarta KPI which contains information on performance indicators for all local government work units of DKI Jakarta in the form of a percentage of the targets set. The aim is to improve the quality of work and determine more tangible targets in the future development of DKI Jakarta.

However, these two websites tend not to be maximally empowered by the Provincial Government. On the Open Data Portal website (data.jakarta.go.id), the most recent DKI Jakarta Budget (APBD) realization data per local government work units is in 2014. There is no latest financial data that can be accessed by the public. Whereas on the KPI Jakarta website (KPI.jakarta.go.id), no data can be presented. This is because this website is still under development. In this condition, the community as a stakeholder in governance cannot evaluate and examine the decisions and performance of public officials as a result of government work. This condition also reflects the statement of the OECD (2006) that transparency is one of the most effective barriers to corruption in public procurement.

The results of hypothesis testing support H3 research where the path parameter coefficient obtained from the effect of supervision on-budget performance with the concept of Value for Money is 0.48341 with a statistical value of 5.57108 > 1.96 at a significance level of 5% which states that there is a positive and significant effect between supervision on performance budget with the concept of Value for Money. The results of this study confirm the results of previous studies by Solikin et al. (2015), Pertiwi & Satriawan (2015) and Putra (2017). Supervision is the most significant construct that has a positive effect on budget performance using the Value for Money concept in local government work units of DKI Jakarta. This result is in accordance with the principles of budget management expressed by the OECD in the Open Government Study of Indonesia (2016), where supervision is one of the pillars of good modern budget management. Supervision of the government budget has a role in guaranteeing the accuracy of the use of the budget in the programs and policies that have been planned by the government.

Furthermore, supervision must be carried out on the timeliness of the use of the budget. The budget set for a program has a timeframe for completion. Supervision is needed to ensure that the budget is used wisely and with a Value for Money concept. This indicates that supervision is an important indicator in achieving budget performance, which leads to an increase in program output realization. Solikin et al. (2015) illustrate that government supervision is directed towards every government affair that has been carried out by local authorities and with regional policies that have been produced.

CONCLUSIONS

The results of this study indicate that accountability has a positive effect on budget performance with the Value for Money concept in the local government work units of DKI Jakarta. Transparency does not have a positive effect on budget performance with Value for Money concept in local government work units of DKI Jakarta. Supervision has a positive effect on budget performance with Value for Money concept in local government work units of DKI Jakarta.

The implications of this study are as follows. First, to improve the performance of the budget with the concept of Value for Money, it should pay attention to factors of accountability and supervision in the implementation of government policies. The government is considered to be accountable if it is able to present maximum results from the programs and policies implemented. Then, the government is assessed introspect towards the use of the budget if it is in accordance with the planning and results achieved. Second, transparency also plays an important role in improving budget performance with the concept of Value for Money. If the government apparatus considers the transparency of the report on the use of the government budget it is important to be presented on time, informative with the use of tables and graphs and easily accessed, the performance of the budget with the concept of Value for Money will increase.

To increase the transparency of budget performance with the Value for Money concept, the local government work units of DKI Jakarta needs to implement the government website platform on an ongoing basis. Government officials should be formed a creative team to present accountability reports on the use of the budget in an attractive and easily understood manner by the public. Social media can be used by the apparatus of local government work units of DKI Jakarta as an interactive platform to increase public knowledge regarding the use of local budgets. Every division in local government work units of DKI Jakarta is called upon to make timely and accurate announcements of regional use.

This research has limited viewpoints using only one point of view, namely from the community side. In practice, the respondents' perceptions conveyed in this study do not necessarily reflect the real situation. Although the respondents filled in the questionnaire statements with the agreed and strongly agreed scale, the implementation of the concepts of accountability, transparency, supervision and Value for Money was not necessarily carried out in a tangible manner. In addition, this research only uses the perspective of the community where the community is considered as the absolute power holder. This research does not heed the perspective of the challenges faced by the government itself in achieving the performance desired by the community.

Finally, the evaluation of budget performance with the concept of Value for Money is not only measured by accountability, transparency and supervision, and is not focused on the government sector alone. The concept of Value for Money is a pillar of modern budget management that deserves further study and study.

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