

THE EFFECTS OF IMPLEMENTATION OF GOOD GOVERNANCE, PERFORMANCE BASED BUDGETING, AND HUMAN RESOURCES TO BUDGET QUALITIES

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ABSTRACT

The aims of this study are to examine and analyze the effect of implementation of good governance, performance based budgeting, and quality of human resources to regional work unit's (SKPD) budget qualities. Goal setting theory and agency theory are used to explain the phenomenon of budget qualities. The population of the present study are SKPD's in Sumbawa Regency. The number of respondents in this study were 94 respondents that selected using purposive sampling method. Data was collected using the questionnaire technique. This research uses analytical techniques Partial Least Square (smartPLS) 3.0. The results of quantitative analysis in this study showed that implementation of good governance, performance based budgeting, and quality of human resources had influence on SKPD's budget qualities. This means better and ideal implementation of good governance, performance based budgeting, and quality of human resources owned by the SKPD, SKPD's budget will be more qualified. The implications of this study can be useful for SKPDs on local governments to implement the principles of good governance and performance-based budgeting in the budget process to be able to provide better services to the public

Keywords: Budgeting, Budget Qualities, Good Governance, Performance Based Budgeting, Quality of Human Resources.

INTRODUCTION

Management control is a must for any organization to provide assurance that the strategy of the organization are carried out effectively and efficiently. Management control is designed to affect all those in your organization to behave in accordance with the organization's goals. According Mardiasmo (2009: 50), the control process management in the public sector is done by using a formal communication channel organizations that include: formulation of strategies, strategic planning, budgeting, and operational (budget implementation), and performance evaluation. Their weakness or failure on one or several stages in the process of management control will lead to the failure of the organization in achieving its intended purpose.

Budgeting or estimation is one of the dominant phases in the process of management control, as well as being one of the main functions of government (Egbide and Godwyns, 2012). Budget into one critical in ensuring the implementation of strategies and programs of an organization to effectively and efficiently because the budget is a result of the formulation and articulation of strategic

planning that has been made. Budget is drawn should really be based on in-depth analysis on the needs of people's lives better in the future.

A budget is not just contain a plan and a nominal amount needed to carry out programs and activities, but also contains the goal you want to achieve the organization. Every organization has set a target (goal) which is formulated into the budget plan is easier to achieve performance in line with the vision and mission of the organization. According to the goal setting theory, goal setting which obviously leads to better results than a vague goal, because these goals provide clarity for individuals with regard to what should be done (Gibson, et al., 2007; 256). Setting goals specifically will encourage individual achievement and will affect the achievement of organizational goals. So that the extensive interaction between the owner of the budget, drafting the budget, and implementing the budget required in the process of setting goals and budget are realistic and aligned with personal goals and needs of managers and subordinates.

Budget (APBD) which is presented annually by the executive, it is an agreement between the legislative and the executive who gave detailed information to the public about what programs planned by the government to improve the quality of people's lives, and how programs are funded. To draw up the budget, the local government through the Head of Work Unit (SKPD) as budget user, draft the budget referring to the limit budget, the Work Plan (Renja-SKPD) and standardized fee was then issued into the form of the Work Plan and Budget SKPD (RKA-SKPD), furthermore, RKA-SKPD investigated by the local Government Budget Team (TAPD) and then accommodated in the draft Budget and Expenditure (budgets) which will be submitted to the legislature to be passed into the budget that established by local regulations.

Budget, to be able to have a good quality required a proper preparation and appropriate, and the parties expected to be involved in the budgeting process may be wise to formulate and establish a program and activities based on the people aspirations. Handayani (2009) states the budget that puts the principles of good governance which is proxied by the principles of accountability, participation, transparency, and using a performance approach will lead to increased quality of the budget.

Good governance, performance-based budgeting, and human resources have been widely discussed in the budget (Carlitz, 2013; Egbide and Godwyns, 2012; Hill and Matthew, 2005; Kaufmann and Kraay, 2008; Lisnawati and Dita, 2013; Rahayu, et al., 2007; Tayib and Mohamad, 2005; Vian and William, 2013). Past research has examined the role of good governance, performance-based budgeting, and quality of human resources of the local government budget (Egbide and Godwyns, 2012; Klase and Michael, 2008; Qi and Yaw, 2012; Srithongrun, 2009). Several studies have agreed that the implementation of good governance, performance-based budgeting and human resources can improve the quality of government budget (Hand, 2009; Lisnawati and Dita, 2013; Maisarah, 2014, Tarmizi, 2007). In contrast to previous studies, this research was conducted at SKPD Sumbawa Government that has tested the quality of services by the Ombudsman in 2015.

Budget plan prepared by (SKPD) is used as the basis for formulating in the Budget and Expenditure (APBD) (Minister Regulation No. 13 of 2006), it motivates researchers to examine the role of the local worker in carrying out local authority to draw up the budget quality because the budget is drawn is public sector budget which is an instrument of accountability for the management of public funds and the implementation of programs financed from public money (Mardiasmo, 2009: 61).

Selection of Sumbawa regency as a test site with a judgment, there are many reports of public proposals that have been submitted in Musrenbang (deliberation development plans) are not realized

according to the expectations of society by SKPD related, so that people in an area of the Sumbawa district government threatened to not follow Musrenbang in the following years (www.gaungntb.com, 2014). In addition, the increase in the Sumbawa Regency Government budget each year not in line with the performance improvement of performance indicators. During the years 2013-2015, the performance indicators reach below 55% is increasing performance while indicators with performance above 85% decrease (Sumbawa Regency Government Performance Results Report (LkjIP), 2015). And in terms of public services, Sumbawa Regency Government is still in the red zone with Predicate Compliance Low in terms of implementing public service standards Local Government (Ombudsman, 2016).

Kaharuddin research results (2012) on the analysis of the factors affecting the absorption of local expense in Sumbawa district government showed that the factors on budget implementation and budgeting factors are two major factors affecting the absorption of local expense in Sumbawa. According to MahfudJuliani and (2014), the budget which is not absorbed will eliminate the benefits of shopping, and if the benefits of expense is missing, then plan development and public service to the community will not be optimal. Not maximal absorption can occur due to overlapping budget as well as errors in budgetary matters. Errors in budgeting could result from failure to translate the concept of budgeting.

In line with this, Rahayu, et al. (2007) in her research stating that personnel directly involved in the budget process do not see and do not understand about the budget process at this time so in the arrangement has not noticed performance indicators for output and results to be achieved from a program / activity, the consequences can decrease and the efficiency of government services as well as decrease the confidence of citizens toward government. Therefore, the local worker-budgeting should be able to understand the procedures and provisions that are fundamental to note as well as the rational capacity to understand the overall aims that set out in the documents which is used as guidelines for SKPD budgeting, such as the Strategic Plan (Strategic-SKPD), Renja-SKPD, and The General Budget Policy-Priorities Limit Strategy (KUA-PPAS). Copyright (2011) stated that the quality of human resources is one important matter in the capacity of public administration. Research conducted by Lisnawati and Dita (2013) proved that the human resources affects the quality of the government budget, and Rashid (2012) which states that the capacity of human resources has a dominant influence on government work plan synchronization (RKPD) and budget. Therefore, the quality of human resources is expected to produce more quality budget. In outline, the authors assume that the implementation of good governance, performance-based budgeting and human resources will improve the quality of regional budgets. Budget into one critical in ensuring the implementation of strategies and programs of an organization to effectively and efficiently because the budget is a result of the formulation and articulation of strategic planning that has been made.

The budgeting process in the public sector especially local government, is an important step as the first step in financial management. At that point, a shared perception among the various parties about what is to be achieved and the relationship of interest with a variety of programs that will be carried out, is crucial for the success of the budget. Based on the above explanation, the key problem that will be addressed through this research is "Is good governance, implementation of performance-based budgeting, and quality of human resources affects the quality of SKPD budget in Sumbawa Regency Government?"

The purpose of this study was to examine and analyze the effect of the application of good governance, implementation of performance-based budgeting, and human resources to the quality of the local budget in Sumbawa Regency Government.

THEORETICAL REVIEW

Quality Budget of SKPD

A budget must be neatly organized, clear, detailed and comprehension. The budgeting process should be done honestly and openly and reported in a structure that is easily understood and relevant in the process of operational and organizational control. Budget is needed because there is a purpose and benefits. The quality of a budget can be reflected in the benefits generated and supplied from an activity / program to the general public as a public service.

Quality budget can be grouped into two factors, which are: the clarity of the budget and budget accuracy targets (Kenis, 1979). Arranged budget should include clear information on all matters contained in the budget, such as the clarity of the item costs, inputs, outputs, outcomes; and the results should be specifically formulated, clear, and easily understood by people who responsible to develop and implement the budget. Budget must be timely in the process, proper allocation and calculation, and includes information on beneficiaries of the budget.

SKPD budget that decanted in RKA-SKPD is a planning document and budgeting which contain income plan, programs expense plan and also financing plan as a basis in APDB arrangement. Once there was a memorandum of understanding between the Regional Government and the Parliament regarding the general budget as well as the policy priorities and budget limit (KUA-PPA), Tim Budget (TAPD) prepare a circular letter of the head region about the arrangement of RKA-SKPD. Arrangement document of the budget submitted by each SKPD are arranged in RKA-SKPD format must be presenting clear information about the objectives, goals, as well as the correlation between the amount of the budget (the workload and the unit price) with the benefits and results to be achieved or derived by the public from a budgeted activity.

Handayani (2009), states that local budgets are drawn up should be based on the public interest in accordance with the principles of public budgets, managed with good results and low costs (work better and cost less), managed by performance approach (performance oriented) for all types of expenditure and revenue, is able to provide transparency and accountability in a rational way for the entire budget cycle, able to foster professionalism in every relevant organization, and can provide flexibility for the administrators to maximize the management of their funds.

Implementation Good governance

Good governance is a process of social and political interaction between the government and society in various fields related to public interest and government intervention on these interests (Sari, 2013). World Bank defines good governance to the implementation of a solid management and responsible, in line with the democratic and efficient market, the avoidance of misallocation of investment, avoiding graft / corruption both political and administrative, run budgetary discipline as well as the creation of a legal and political framework for the growth of the self-employed.

Local Government today and in the future is determined by the quality of good governance, and the centre of the quality of regional government determined by the quality of its financial management, from planning to budgeting to the budget implementation reports and evaluations.

According to Vian and William (2013), "when governance works well, citizens are better able to achieve individual and common purposes, but when governance is poor, even if the country has the financial resources and technical assistance it may fail to achieve development goal".

The principle underlying the application of good governance varies greatly, according to Nawawi (2012), good governance can be supported by several pillars of belief that are participation, rule of law, transparency, accountability, responsiveness, and fairness. Participation, which is the involvement of the public in decision-making, either directly or indirectly through representative institutions that can channel their aspirations. Participation intends to ensure that any measures taken reflect the aspirations of the people. (Mardiasmo, 2009: 18). Transparency (openness), which is transparency in process of decision making and openness in expressing material and relevant information about the organization. Government organizations should disclose information in a timely, adequate, clear, accurate and comparable and can be accounted for related to financial management.

Results of research conducted by Ebdon (2002), Kaufmann and Kraay (2008), as well as Carlitz (2013), states that the increase in transparency and accountability in the budget process affects the increasing trust of citizens in the government. According to (Carlitz, 2013), law enforcement (rule of law) can protect a group that took an unpopular stance, as well as helping to institutionalize the participation and ensure access to relevant information. Egbide and Godwyns (2012) stated that good governance is "a ground" to achieve a good budget.

This is in line with the results of research Tarmizi (2007) who found that the transparency of a significant effect on the quality of the budget, Handayani (2009), Lucyanda and Sari (2009), as well as Maisarah (2014) states that participation, transparency, and accountability has significant effect on the quality of the budget. Based on the theory and the description above, the proposed hypothesis as follows:

H1: Application of good governance affects the quality of SKPD budget

Implementation of Performance-Based Budgeting (ABK)

A common explanation of Law Number 17 Year 2003 on State Finance, Clause 6 states "... another problem that is not less important in efforts to improve public sector budgeting process is the application of performance-based budgeting". This can be fulfilled by arranging RKA-SKPD as mentioned in Law No. 17 Year 2003 on State Finance of Article 19 paragraph (1) and (2) strengthened with Government Regulation No. 58 of 2005, which is, the Head SKPD arrange RKA-SKPD based on the performance to be achieved.

Government Regulation No. 58 of 2005 and elaborated further by the Home Affairs Number 13 of 2006 last amended with Regulation No. 21 of 2011 specifies that ABK is an effort to improve the budgeting process in the public sector. ABK Implementation is expected to assist the organization in achieving the goals and objectives of the organization. According to Niu et al. (2005), ABK can help program managers see more clearly what they are trying to achieve and rethink how they can achieve their goals more effectively.

Implementation of ABK aims to overcome the weaknesses that exist in the traditional budget, in particular the weakness caused by the absence of benchmarks that can be used to measure performance in achieving the goals and objectives of public services (Mardiasmo, 2009). Behn (2003) in Gómez and Katherine (2008) suggested that performance measurement is aimed to "Evaluate, control, motivate, budget, promote, celebrate, learn, and improve".

ABK supported by a good governance and competent executive, felt able to reduce corruption, and improve back trust from the people who have disappeared. In practice, ABK is seen to improve the budgeting process is a systematic where connecting the desired results on the basis of state policy with the mission and the level of spending agencies (Srithongrung, 2009), and to enhance the efficiency and productivity improvements in resource management and improved quality of products and services to realize sustainable development and national independence (Solihin, 2007).

These results are consistent with research findings by Verasvera (2016) concluded that ABK has a strong positive relationship and the direction of the performance of local governmentworker. This is supported by research conducted by Handayani (2009) and Maisarah (2014) which states that the approach to the performance has significant effect on the quality of the budget. Based on the theory and the description above, the proposed hypothesis as follows:

H2: Implementation of performance-based budgeting affects the quality SKPD budget

Quality of Human Resources

Smoothness of the task of governance and national development is highly dependent on the perfection of the state worker. Individual skills of a state worker refers to the level of education and workforce training, and experience gained in the field of knowledge that is given from time to time. It is widely accepted that the staff are highly educated and technically qualified more easily accept assimilation and is able to transform external knowledge available.

Government organizations as an agent who has the task of providing services to the public in conjunction with the owners of the public sector budget as a principal, are required for the use of qualified human resources to be assigned in the finance department, which will primarily handle budgeting. Improved knowledge and skills of employees can be done by providing education and training and organizing dissemination and technical guidance on budget-related government regulations.

The complexity of the stages of budgeting in the public sector organizations ranging from the determination of programs and activities, the classification of expenditure, standard-setting expense, determination of performance indicators and performance targets, up to the amount of the budget must be provided, require qualified human resources for the purpose of government to improve the welfare of the community through the best public service the best that the budget allocation in accordance with the ability of local and regional development plans can be realized. According to Ouda (2003) budgeting implementation requires new qualified staff recruitment and training for senior staff. This is in line with the conclusions of Tayib and Mohamad (2005) which states that the problems that often occur as a lack of trained personnel, lack of ability to use data, lack of understanding of the priority to be resolved by the relevant government budgeting, especially for budget planning and control. Based on the theory and the description above, the proposed hypothesis as follows:

H3: The quality of human resources affects the quality of SKPD budget

Based on the description above, it can be described models following studies:

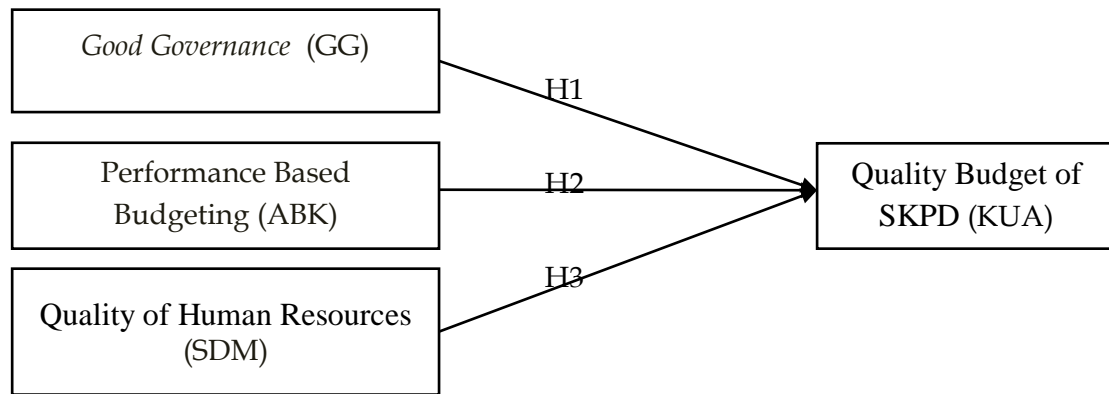


Figure 1. Model Penelitian

RESEARCH METHODS

This research is a quantitative research. Based on the purpose, this research is an explanatory research. and relationships used in this study is a causal relationship, causality. The population in this study is SKPD that arrange the budget in Sumbawa Government are 55 SKPD. The sampling technique in this study was a non-probability which is purposive sampling, the criteria that SKPD which has been tested for compliance by the Ombudsman in 2015 related to quality of service, so that the sample in this study amounted to 15 SKPD. Respondents in this study were employees that involved in the arrangement of the budget and the related results of the assessment of the Ombudsman of 100 respondents, include: (1) Chief SKPD, as users of the budget, (2) Section Head / Sub whose service quality has been tested by Ombudsman, (3) Head Subdivision program, and (4) staff on duty Subdivision program that input on SKPD budgets.

Data collection techniques used in this study, is the questionnaire, each SKPD distributed questionnaires and submitted directly by researchers to respondents. Sources of data in this research is the score of each indicator variables obtained from questionnaires that have been distributed to the respondents. And the study of literature is a way of collecting data from a review of the literature, such as journals, reports, and other references relate to the problems studied.

Indicators of the quality of SKPD budget in this research is the support of the organizational units (KUA01), the accuracy of expenditure (KUA02), the accuracy of earnings (KUA03), the relevance of the proposal with current affairs (KUA04), arranged in a smart and logical (KUA05), timely (KUA06), containing the information costs (KUA07), includes information of the target group (KUA08), consistent with planning documents (KUA09). Indicators of the quality budget is modified from Kenis (1979) and Putri (2014).

Good governance in this research is the process of preparing a budget plan executed by following the principles of good governance, namely participation (PAR), law enforcement (HKM), transparency (TRA), accountability (AKU), responsiveness (RES), and fairness (FAI). Measurement of this variable using the indicators of research Nawawi (2012).

Measurement of this variable using the indicators of Performance Based Budgeting by Verasvera (2016) are modified, namely clarity of long-term goals (ABK01); alignment of vision, mission, and purpose (ABK02); orientation to the utilization of the budget (ABK03); input in accordance with the Work Plan (Renja) and strategic plan (strategic plan) (ABK04); output that support the achievement

of work plan and strategic plan(Renja) (ABK05); play a role in implementing the goals and service purpose (abk06); the success rate (ABK07).

The quality of human resources is the ability of an employee on a part of the SKPD budget arrangement in their duties by the educational background, training acquired, an understanding of the duties and responsibilities of the obligation. The indicator used is a modification of the research by Azhar (2007), the educational background (LTP), experience (PLM), the division of tasks (PBT), knowledge (PTH), punctuality (KTW), expertise (KHL), training (PLT).

Procedures Data Analysis

In this study, data were analyzed using analysis tools Partial Least Square (PLS) version 3.0. This study examined the three exogenous variables and one endogenous variables.

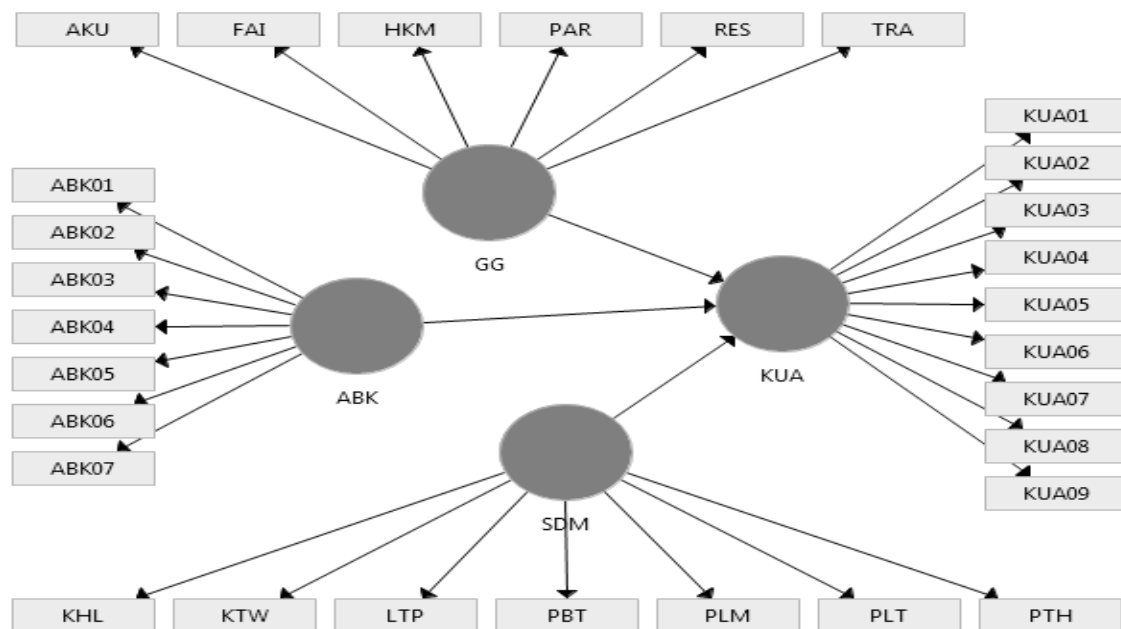


Figure2. Model Penelitian

DISCUSSION AND ANALYSIS

The object of research that used in this study was 15 SKPD in Sumbawa district government that has been tested for compliance by the Ombudsman in 2015 related to the quality of service. The data used were obtained by distributing questionnaires to the staff whose involved in the arrangement of the budget.

Data analysis method used is Structural Equation Modeling (SEM) based variant or commonly called the soft modeling, using analytical tools Partial Least Square (PLS). In this study, testing is done with the help of SmartPLS 3.0 program. In PLS or component-based SEM, optimum linear relationship between latent variables are calculated and interpreted as the best available predictive relationship with all the limitations that exist, so that there are events that can not be controlled fully (Ghozali, 20012: 6).

There are two (2) models that are used, namely: 1. Model measurement / measurement (outer model) is a measurement model that connects the indicator with latent variables, used to test the validity and reliability, and 2. The evaluation of measurement / structural model (Inner Model) , a structural model that links between latent variables, used to test causality (hypothesis testing predictive models). Three criteria were used in the measurement model of data analysis techniques are convergent validity, and discriminant validity reability composite.

The test results outer to see the value of convergent validity, the results obtained estimation value calculation factor loading for all indicators in the variable lot of quality budget (KUA), good governance (GG), performance-based budgeting (ABK), and human resources (HR). Loading factor value is less than 0.50 will be dropped from the analysis because it has a low value of convergent validity. At this stage, there are no indicators that are dropped due to loading factor value on each indicator is more than 0.50. So we can conclude that, all data in the full model diagram is valid.

The test results can be seen in Figure 3, below.

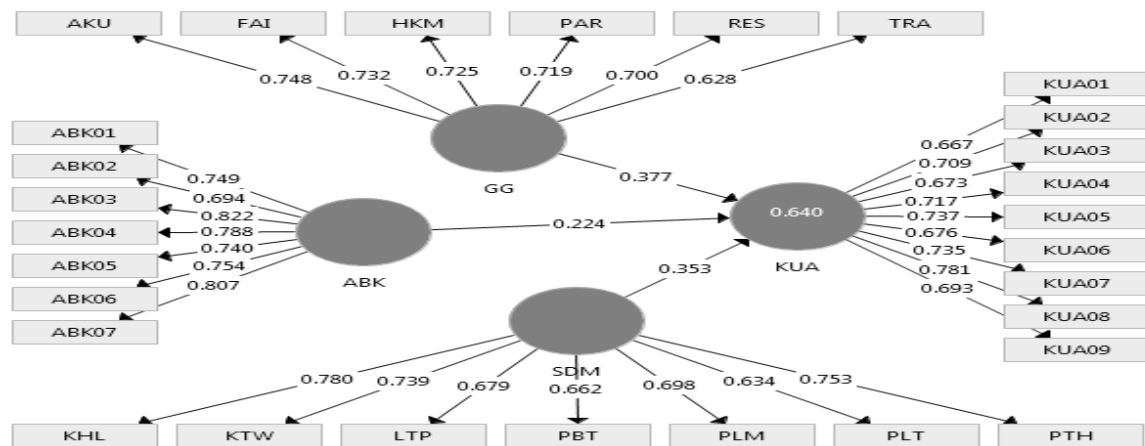


Figure 3. Results PLS Algorithm

Reliability test is a tool to measure a questionnaire which is an indicator of a variable or konstruk. A questionnaire tool or instrument that is said to give a stable or constant result, when the gauge is reliable or unreliable. A construct said to be reliable if the value of composite reliability and Cronbach alpha above 0.70 (Ghozali, 2008: 43). It shows the consistency and high stability of the instruments used. Here is the data analysis results from the testing of composite reliability and Cronbach's alpha:

Tabel 1. Hasil Composite Reliability dan Cronbach's Alpha

	Composite Reliability	Cronbach's Alpha
KUA	0,902	0,877
GG	0,859	0,802
ABK	0,908	0,883
SDM	0,875	0,834

Source: PLS Output(2016)

The test results in Table 1 show that the composite results reliability and Cronbach's alpha showed a satisfactory value is the value of each variable above the minimum value of 0.70. It shows the consistency and high stability of the instruments used. In other words all the constructs or variables of this research has become a measuring tool that fit, and all questions were used to measure each construct has a good reliability.

Discriminant validity test illustrates the correlation between variables with a correlation value of cross loading of all indicators used in forming latent variables, declared valid if loading cross correlation values greater than the correlation with other latent variables.

Rated cross loading of each variable are described in Table 2 below:

Table 2. Cross Loading Result

	KUA	GG	ABK	SDM
KUA01	0,667	0,411	0,380	0,485
KUA02	0,790	0,468	0,219	0,425
KUA03	0,673	0,529	0,394	0,357
KUA04	0,717	0,378	0,464	0,471
KUA05	0,737	0,626	0,490	0,469
KUA06	0,676	0,510	0,502	0,592
KUA07	0,735	0,452	0,442	0,552
KUA08	0,781	0,544	0,507	0,557
KUA09	0,693	0,408	0,484	0,486
AKU	0,505	0,748	0,376	0,366
FAI	0,510	0,732	0,432	0,451
HKM	0,505	0,725	0,433	0,484
PAR	0,475	0,719	0,373	0,307
RES	0,499	0,700	0,268	0,432
TRA	0,404	0,628	0,189	0,303
ABK01	0,275	0,301	0,749	0,414
ABK02	0,408	0,366	0,694	0,410
ABK03	0,524	0,399	0,822	0,546
ABK04	0,509	0,337	0,788	0,520
ABK05	0,557	0,492	0,740	0,375
ABK06	0,440	0,245	0,754	0,378
ABK07	0,486	0,446	0,807	0,483
LTP	0,354	0,357	0,269	0,679
KHL	0,512	0,373	0,492	0,780
KTW	0,542	0,512	0,507	0,739
PBT	0,416	0,377	0,301	0,662
PLM	0,539	0,252	0,352	0,698
PLT	0,447	0,312	0,383	0,634
PTH	0,564	0,539	0,531	0,753

Source: *PLS Output* (2016)

Table 2 shows that the correlation construct the measurement item larger than the other constructs. It shows that the model has good validity discriminant value.

Inner model testing or structural models made to look at the relationship between constructs, the significant value and R-square of the research model. Structural models were evaluated using R-square for dependent constructs. R-square value shown in Table 7 below:

Table 3. R Square

	R Square
KUA	0,640
GG	
ABK	
SDM	

Source : PLSOutput (2016)

In Table 3 shows that the R-square value quality budget (KUA) is 0.640. R-square value of 0.64 means that the construct variable of SKPD quality budget (KUA) which can be explained by the variable constructs of good governance (GG), performance-based budgeting (ABK), and the quality of human resources (HR) of 64 percent, while 36 percent is explained by other variables outside studied. The greater the number of R-square, the greater the exogenous variables that can explain the endogenous variables so the better the structural equation.

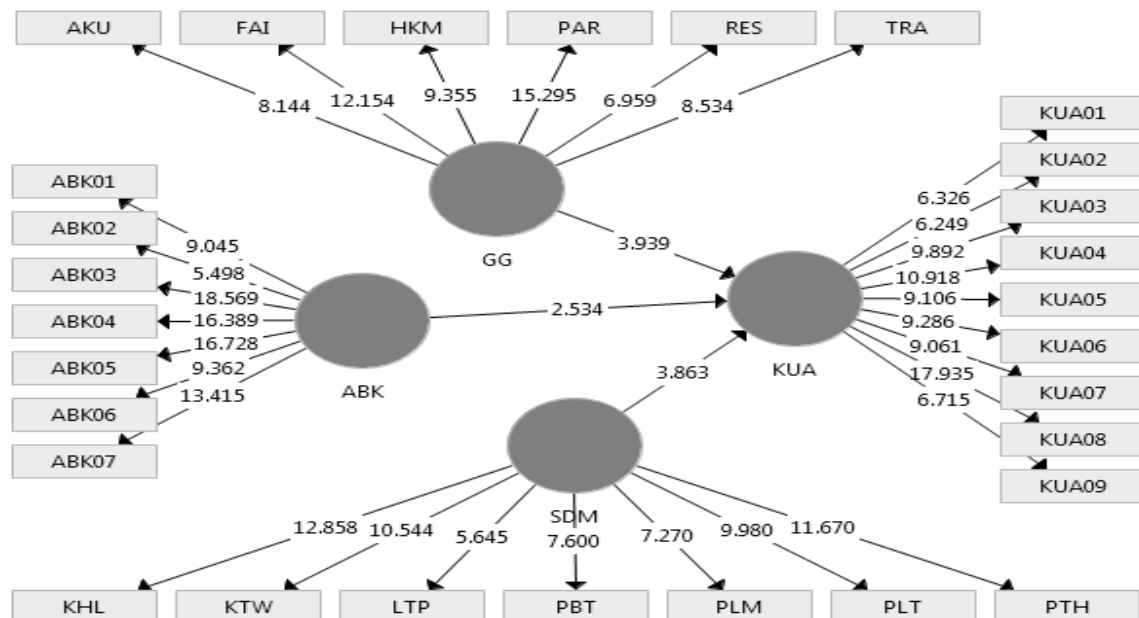


Figure 4. Results Bootstrapping

Hypothesis Testing Results and Discussion

Hypothesis testing is done by testing the structural model (inner model) by looking at the value of R-square which is a test for goodness-fit model. It is also to see the path coefficients that shows coefficient parameter and the value of statistical significance. The significance of the parameters estimated to provide information about the relationship between the study variables. Limits to reject and accept the hypothesis proposed above is 1.96 to $P < 0.05$. The results of the t-statistics are shown in Table path coefficients as presented in Table 4:

Table 4. Hypothesis based Path Coefficient

	Hipotesis	Loading Path	T Statistics (O/STERR)	Result
GG -> KUA	H ₁	0,377	3,939	Hypothesis Accepted
ABK -> KUA	H ₂	0,224	2,534	Hypothesis Accepted
SDM -> KUA	H ₃	0,353	3,863	Hypothesis Accepted

Source: PLS Output (2016)

Effect of Good governance Implementation on Quality of SKPD Budget

The research proves that the better and the ideal of good governance implementation then SKPD budget should be more qualified. The results of the study revealed the preparation, filing, and budget allocations, activities and output will be selected / designated in accordance with the proposal of public / community; SKPD budget information available on government website and can be easily accessed at any time by the public / community in obtaining the information; duties and responsibilities in accordance awarded to the person who has the authority to achieve the program / activity on education; SKPD responsive to proposals regarding the needs of the community, particularly those filed by the proposal; Quality budget has been governed by a system and a strong rule of law and certainty; and SKPD provide an opportunity to the parties that have an interest to provide input and opinions in the interest SKPD.

This line of research Handayani (2009), Lucyanda (2009), and Maisarah (2014), which proves that the principles of good governance, accountability, participation, and transparency significantly influence the quality of the budget. And the results of research conducted Vian and William (2013) which states that the budgeting system works better when government institutions transparent public financial management, providing an opportunity for public participation, to exercise control over the measures taken, and ensure accountability. Based on the results of the study, authors SKPD budget has been understood that the application of the principles of good governance can improve the quality of local government budgets. Although there are still areas in Sumbawa district government who feel their aspirations have not been delivered, but the Sumbawa Regency Government in addition to providing financial information and government performance Sumbawa regency over the past 2 years, also open space for the public to be able to provide feedback / suggestions and opinions through the website of the District Government Sumbawa is <http://www.sumbawakab.go.id>.

Implementation of good governance in the financial management based on transparency, accountable government, community participation, fair treatment and equitable, and responsive to the needs / problems and the existence of a clear legal framework is a reflection of the government's commitment to service and execution of program-oriented public so that adds a sense of trust community on what organized, planned, and implemented by the government.

These findings also support the goal setting theory put forward Locke (1968) through the principle of commitment and complexity of individual tasks, that commitment and the complexity of the task will be to encourage people to make a business more than normal, especially if the individual feels as part of the creation of these objectives , SKPD their commitment to implement good governance in the arrangement of the budget will be able to push-budgeting to produce a quality budget. Similarly, the complexity of the task of the individual within the budget, where there are so many planning documents must be translated and synchronized with the needs of the public good that has been raised in the forum musrenbang and of proposals that go into SKPD, so that with the commitment of the government along with the complexity of individual tasks realize good governance, encourage individuals and organizations making an effort even to be able to achieve the goals on SKPD contained in the vision and mission of SKPD.

Effect of Implementation of the Performance-Based Budgeting to Quality Budget of SKPD

The research proves that the implementation of performance-based budgeting can improve the quality budget of SKPD. In general, respondents are aware that important ABK approach applied in preparing the budget quality. This study supports the results of tests performed by the research Handayani (2009), Lucyanda (2009), and Maisarah (2014), which proves that performance approach significantly influence the quality of the budget.

ABK Implementation requires the government to have the program priorities outlined in the program and operational activities that have a benchmark achievement results are obvious. In addition, the regional government is also required to allocate budget can always be measured utilization to be frugal, efficient and appropriate. Although research shows that SKPD budget has not been optimally oriented to the utilization of the available budget to achieve the results of the activities carried out. , But in general the results of the study also states that by implementing performance-based budgeting in the arrangement of the budget, input programs and activities can be identified well in accordance with work plan (Renja) and strategic planning, program output / planned activities have been supporting the achievement of the objectives Renja and strategic planning, budgeting systems performance has serves as a benchmark in implementing the goals and objectives of the service, and the views of the report SKPD budget realization enough to give a clear picture on the level of success of SKPD, thus pushing worker in SKPD to always improve performance. By applying the Performance-Based Budgeting, then the responsibility of the government to the public financial management of the greater because there is clarity on the goals, objectives, and indicators that have been set.

These findings also support the goal setting theory put forward by Locke (1968) through the principles of clarity and feedback, that in order to achieve organizational goals, there is clarity in terms of clearly measurable and unambiguous on what will be produced, and there is a set time period so that helps managers to see what will be achieved and rethink how to achieve the goal of becoming more effective. While the feedback means provides the opportunity for individuals to be able to

determine for themselves how to do its job, this opportunity is given when there is extensive interaction between the owner of the budget, arrangement the budget, and the budget execution in the process of setting goals and budget are realistic and aligned with the purpose of personal and the needs of managers and subordinates. Both principles are important points the organization to achieve the goals and objectives of the organization.

This was confirmed by the results of research Tayib and Mohamad (2005), quality budget should provide the information and focusing on results so as to provide the right situation for superior decision making and control all activities of intelligent and punctuality manner to the organization

Quality Impact on the Quality of Human Resources Budget SKPD

H3 research results suggest that there is influence between the quality of human resources to the quality of SKPD budget, this means that the quality of human resources, so the SKPD budget will be more qualified. Significant influence shows that the quality of human resources has a very important role in improving the quality of SKPD budget. This study was supported by research conducted Pratama (2015) that the capacity of human resources affect the timeliness of budget arrangement, Nurhasanah (2015) that the executive competence affect the accuracy of the budget process, as well as research Putri (2014), Lisnawati and Dita (2013) which stated that human resources affects the quality of the government budget.

The influence of the quality of human resources is closely associated with agency theory told by Jensen and Meckling (1976). Government organizations as an agent who has the task of providing services to the public in the relations with the owners of the public sector budget as a principal, are required for the use of qualified human resources to be assigned in the finance department, which will primarily handle budgeting. Today's society should be more wary of the lack of honesty and ethical behavior of government in terms of budgeting, is because although people polled through forum musrenbang, but in the end the budget process in SKPD still done behind closed doors (Nawawi, 2012).

The quality of human resources in SKPD-budgeting in Sumbawa district government tends to be in the category of quality but not optimal, one reason is still found errors in budgetary matters by BPK for 4 years in a row. Based on the research results, it could be due to the low human resources education and training (training) budgeting, seen from the low value of the mean ratings for the indicator responder training than other indicators. Therefore, local governments must provide the opportunity for HR-budgeting to follow educational and training related to the budget so that the ability to work can be further increased so that more optimal in producing a quality budget.

Government Regulation (PP) No. 101 of 2000 on Education and Training (Training) Position of Civil Servants explained that one purpose of the training is to improve the knowledge, expertise, skills and attitudes to be able to carry out the duties of office in a professional manner with based on personality and ethics of civil servants in accordance with the needs of the agency. In addition, the formation of the attitude and spirit of service-oriented services, shelter, and community empowerment is also the purpose of the training. So, with the opportunity of training to the HR-budgeting arranger is expected to increase the membership of the theoretical, conceptual and ethical behavior of employees. Participation in education and training related to the budget also became an important point in terms of improving the quality of the budget. In the absence of these things, then the resulting budget likely will not quality. Rashid (2012) stated that the staff-budgeting should be a

facilitator who helps the whole structure of the organization in preparing planning components started from the vision, mission, goals, objectives, programs and activities along with measurable performance indicators.

CONCLUSIONS AND SUGGESTIONS

This study aims to examine and analyze the effect of the application of good governance, the implementation of performance-based budgeting, and human resources to quality SKPD budget of Sumbawa Regency Government. Goal setting theory and agency theory is used to explain the phenomena related to the quality of the budget. Purposive sampling method, this study uses data from 15 SKPD scope Sumbawa Regency Government. Processing data using analytical tools Partial Least Square (smartPLS) 3.0.

The research concludes that the adoption of good governance affects the quality of the budget on education, the implementation of performance-based budgeting affects the quality of the SKPD budget, the quality of human resources affects the quality of SKPD budget.

Other findings reveal that available budget information should be more accessible to the public, the area should be more responsive to public affairs at the time, budget revenues are stated to be more objective with the calculation, and the area must consider opt-budgeting in the education or training in order to improve the quality-budgeting arranger (SKPD) because it will have an impact by increasing the quality of the budget on education. In addition, the utilization of the budget should be in line with the realistic performance goals (achievable) that describes the expected results. The government should regularly evaluate and dare to give punishment to SKPDs that has unequal between the gains in financial performance. So that the budget allocated to achieve goals and implications of programs and activities to the public services are getting better.

Limitations of this study will provide direction for future research. First, this study only examined three variables that affect the quality of the budget on education, research should be developed further by adding other variables which can influence such as budget monitoring and the use of information technology systems in the preparation of the budget. Both the scope of this research is only done in the area that has been tested for compliance by the Ombudsman in 2015 related to the quality of service so generalizing the findings and recommendations of this study are less able to apply to all the work outside the district of Sumbawa. Lastly, with a view to reinforce the results of this study and previous research, it is recommended to use different analysis tools in future studies.

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