

THE INFLUENCE OF BUDGET PREPARATION PARTICIPATION, HUMAN RESOURCE QUALITY AND ACCOUNTING SYSTEM IMPLEMENTATION ON LOCAL GOVERNMENT PERFORMANCE

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ABSTRACT

This study aims to determine the influence of budget preparation participation, quality of human resource and the implementation of accounting system on local government Performance. The research object was all employees at the Municipality of Ainaro. The number of respondents in this study was 55. Sampling was based on proportional sampling. Data collection techniques used a questionnaire. Instrument testing (validity and reliability tests), classical assumption (normality test, multicollinearity test and heterokedasticity test), multiple linear regression and hypothesis testing consisting of partial test (t-test) and simultaneous test (f-test). The result of the study indicate that, partially, the participation of budget preparation has a positive and significant effect on performance of local government, the quality of human resource han no significant effect on performance of local government, and the implementation of accounting system has a positive and significant effect on performance of local government. Simultaneously, the participation of budget preparation, the quality of human resource and the implementation of accounting system significantly effect on performance of local government. The coefficient of determination obtained is 0,409 or 40.9%. This means that the performance of local government in Ainaro Municipality can be explained by the participation of budget preparation, quality of human resource and the implementation of accounting system.

KEYWORDS: Participation of Budget Preparation, Quality of Human Resource, Implementation of Accounting Sistem, Performance of Local Government

I. INTRODUCTION

Current economic development demand change and have led to complex shifts in thinking across all sectors. One such change is the concept of regional autonomy, which demands greater authority (decentralization) at the district/city level, particularly in implementing development, and grants local government the freedom and flexibility to govern their affairs. However, in Ainaro municipality, the government has not received full authority to govern, resulting in suboptimal performance.

According to Indra (2010), performance is a reflection of the achievement of an activity/program/policy in realizing an organization's goals, objectives, mission and vision. In general, performance is an achievement by an organization within a certain period. Measuring an organization's performance is crucial for evaluation and future planning. Several types of information used in control

are prepared to ensure that work is carried out effectively and efficiently. Therefore, performance measurement encompasses not only financial information but also non-financial information (Mardiasmo, 2016).

One of the government's financial responsibility is to create a financial plan, which is outlined in a budget. Budgeting in the public sector involves determining the amount of funding allocated to each program and activity in monetary terms, using public funds. A budget is a statement of the estimated performance to be achieved over specific period, expressed in financial terms. Budgeting was previously conducted using a top-down system, where a plan and budget amount were determined by superior or budget holders, leaving subordinates or budget implementers to simply implement the plan.

In this case, if the budget is prepared solely based on the wishes of superiors without involving subordinates, it can create difficulties for subordinates in achieving it. Conversely, if the budget is prepared solely based on the wishes of subordinates, it can lead to low subordinate motivation in achieving optimal targets (Mardiasmo, 2016).

Participation in budgeting creates opportunities for subordinates to engage and influence the budgeting process. In this way, subordinates, can communicate or disclose information that may be included in standards or budgets as a basis for assessment. With government demands for involvement in the budgeting process, communication between superiors and subordinates is necessary to exchange information, especially local information. Subordinates are more aware of conditions directly in their respective areas (Lilis and Purwantoro, 2013).

Previous research by Lina and Estela (2013) found a positive and significant relationship between budgetary participation and managerial performance. This finding aligns with research by Ayu, Dian and Kusumastuti (2022), which found that budgetary participation has a positive and significant impact on local government performance. However, this contrasts with research by Nazaruddin and Setyawan (2012), which found that budgetary participation had no effect on local government performance.

An equally important factor influencing local government performance is the quality of human resource. According to Susilo, as quoted by Juita (2013), human resource are the main supporting pillar and driving force of an organization in realizing its vision, mission, and goals. Human resources are a crucial organizational element, therefore, it must be ensured that these human resources are managed very well to be able to make an optimal contribution to the achievement of organizational goals. The quality of human resources is a serious problem when associated with local government performance, which is considered less than optimal. Human resources are very important for organizations, so they need to be managed, organized, and utilized so that they can function productively to achieve organizational goals. Previous research conducted by Wilfiah (2015), which shows that the variable of human resource quality influences the performance of regional apparatus.

However, research by Akbar (2014) different, where his research suggests that the quality of human resources does not significantly influence the performance of regional apparatus.

An accounting system is a procedure for recording, collecting, and processing transaction data to disseminate financial information to stakeholders. The implementation of an accounting system in local government will impact both the performance of the local government and the performance of individuals within that government. The implementation of an accounting system will run smoothly if the accounting system is implemented in accordance with applicable government accounting standard and the reporting system in the financial statements is carried out periodically. Because the better the implementation of the accounting system, the better performance of the local government.

II. LITERATURE REVIEW

A. Participation of Budget Preparation

Participation is the role of individuals and communities in the development process through activities that involve providing input in the form of ideas, energy, time, expertise, capital, and/or materials, as well as utilizing and enjoying the results of development (Sumaryadi, 2010). Participation in budgeting is a process in which individuals, whose performance is evaluated and rewarded based on the achievement of budget targets, are involved and have influence in the preparation of budget targets (Widayati et al., 2015). According to Mulyadi (2016), participation in budgeting means the involvement of operational managers with the budget committee regarding the series of future activities that will be undertaken by these operational managers to achieve budget targets.

Budget participation involves providing opinions, considerations, and suggestions from subordinates to their superiors in preparing and revising the budget. Leaders who are able to increase the participation of their subordinates tend to carry out their tasks more smoothly than those who are unable to. By increasing participation, subordinates feel more appreciated, which is expected to boost work enthusiasm and a sense of responsibility (Siskawati 2005, cited by Dianita 2009 and Mulyani 2015). Budget participation is measured using indicators from Bangun (2009) research, namely:

1. Involving subordinates
2. Providing opportunities for subordinates
3. Information from subordinates
4. Subordinate contributions to the regional budget

B. The Quality of Human Resource

Human resources are the main supporting pillar and driving force of an organization in realizing its vision, mission, and goals. Human resources are a crucial element of an organization, and therefore, it is crucial to ensure

that human resources are managed optimally to ensure optimal contribution to achieving organizational goals. For sound financial management, companies or governments must have qualified human resources, supported by an accounting education background, frequent training, and experience in the financial sector (Widayati et al., 2015).

Human Resource Quality is the ability of human resources to carry out the tasks and responsibilities given to them with adequate education, training and experience (Widayati et al, 2015). Human resource quality is the ability of each individual/employee to complete their work, develop themselves and encourage the self-development of their colleagues (Matindas, 2002:94).

The availability of qualified human resources suited to job requirements will increase organizational effectiveness. Human resource capabilities significantly influence work effectiveness; the higher the capabilities, the higher the effectiveness. Therefore, every organization continually strives to improve the quality of its human resources (Soetrisno, 2016). Matutina (2001:205) defines quality as measuring several indicators; (1) Knowledge, (2) Skills, (3) Abilities.

C. Implementation of Accounting System

Accounting System is a formal tool in the form of interconnected procedures to carry out an organizational function activity, data collection, and information processing to be communicated to management in carrying out the management process and reporting to external parties (Widayati, 2015). Meanwhile, according to Mulyadi (2010:3) an accounting system is a form, record, and report that is coordinated in such a way as to provide financial information needed by management to facilitate company management.

In essence, local governments have attempted to prepare financial reports using a regional financial accounting system that is expected to achieve transparency and accountability. According to Zarzani (2016), the indicators used in the local government accounting system are: System compliance with Government Accounting Standards, Transaction Identification, Transaction Recording, Evidence for each Transaction, Chronological Recording, Transaction Classification, Financial Reporting for each Period, and Consistent and Periodic Reporting.

D. Performance of Local Government

Performance is a description of the level of achievement of the implementation of an activity or policy in realizing the goals, objectives, mission, and vision of an organization as stated in the organization's planning strategy. Regions as a legal community unit that has autonomy have the authority to regulate and manage their regions according to the aspirations and interests of their communities as long as it does not conflict with the national legal order and the public interest (Aurelia and Maswar, 2020). In general, performance is the achievement achieved by an organization within a certain time period. The performance of government officials is a system that aims to assist leaders in assessing the achievement of a strategy through financial and non-financial measuring instruments. Effective performance occurs when the budget objectives are achieved and the participation of subordinates plays a vital role in achieving these goals (Mulyani, 2015). According to Mahsun

(2006:7), the indicators used to measure local government performance are as follows: (1) Input, (2) Process, (3) Output, (4) Outcome and (5) Benefit.

III. METHODOLOGY

E. Hypothesis

Based on the problem formulation and theoretical basis, the following research hypothesis can be formulated: The Influence of Budget Preparation Participation, Human Resource Quality, and Accounting System Implementation on Local Government Performance. Sugiyono (2017:93) states that hypotheses are also referred to as provisional assumptions. Therefore, a definitive answer cannot be presented in this section, as no data has yet been collected by the researcher. Based on the description above, the following hypothesis can be formulated:

H1 : Preparation of Budget Preparation has a positive and significant impact on the Performance of Local Government.

H2 : The Quality of Human Resources has a positive and significant impact on Performance of Local Government.

H3 : The implementation of Accounting System has a positive and significant impact on the Performance of Local Government.

H4 : The Participation of Budget Preparation, Quality of Human Resources, and the Implementation of Accounting System simultaneously impact on Local government Performance.

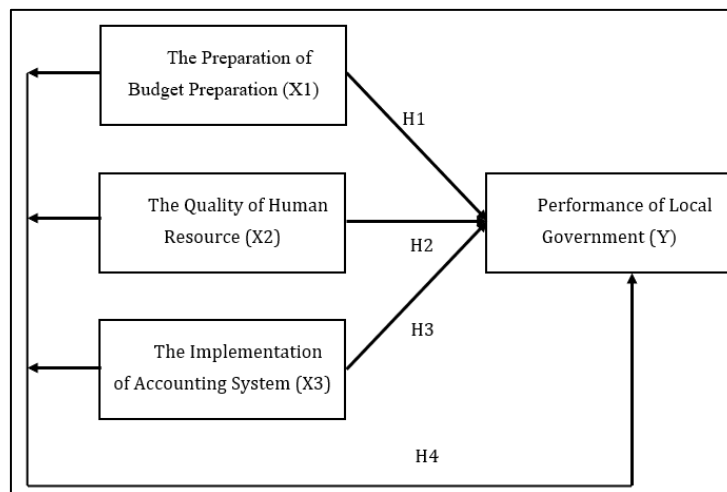


Figure 1. Conceptual Framework

This research uses quantitative methods. Quantitative methods aim to develop and use mathematical models, theories, and/or hypothesis related to a phenomenon. Data collection utilizes research instruments or questionnaire, and the collected data is then analyzed quantitatively using statistics. A population is a generalized area consisting of objects or subject with specific qualities and

characteristic determined by the researcher to be studied and then conclusion drawn. The population in this study was all government officials in the Municipality of Ainaro, totaling 121 individuals. The sample in this study was selected using the proportional random sampling techniques. The data analysis techniques used in this research are descriptive statistical and analysis multiple linear regression.

IV. RESULTS

Results of research on Budget Preparation Participation, Human Resource Quality, and the Implementation of Accounting Systems on Regional Government Performance. The data source used in this study was a questionnaire distributed to 55 civil servants working at the *Autoridade Municipio Ainaro* office.

F. Descriptive Analysis

The research data was analyzed using descriptive statistic to describe the characteristics of the sample and to describe the variables used in the study. Descriptive analysis aims to describe the characteristics of the data through the minimum, maximum, mean, and standard deviation of each variable. This analysis provides an overview of the condition of the respondent data based on the results of the research questionnaire (Annisa, 2017). The results of the descriptive statistics can be seen in the table below:

Table 1. The Result of Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-------------------------------------|----|---------|---------|-------|----------------|
| Perticipation of Budget Preparation | 55 | 14 | 20 | 18.07 | 1.933 |
| Quality of Human Resource | 55 | 10 | 15 | 13.67 | 1.402 |
| Implementation of Accounting System | 55 | 28 | 40 | 37.16 | 2.974 |
| Performance of Local Government | 55 | 16 | 25 | 22.56 | 2.637 |
| Valid N (listwise) | 55 | | | | |

Based on the results of the descriptive analysis, the Budget Preparation Participation variable has a minimum value of 14, a maximum value of 20, and an average value (mean) of 18.07. Human Resource Quality has a minimum value of 10, a maximum value of 15, and an average value (mean) of 13.67. Accounting System Implementation has a minimum value of 28, a maximum value of 40, and an average value (mean) of 37.16. Regional Government Performance has a minimum value of 16, a maximum value of 25, and an average value (mean) of 22.56. This shows that participation in budget preparation, quality of human resources, implementation of accounting systems and performance of local government are classified as good, because the four variables have average values that are close to the maximum value of the scale used.

G. Validity Test

Validity testing is used to measure the validity of a questionnaire. A questionnaire is considered valid if the questions are able to reveal what it is intended to measure (Ghozali, 2006). The criterion is that if the sig (2-tailed) value on the total construct score is <0.05 for each question item, it is considered valid. The results of the validity test can be seen in the table below:

Table 2. The Result of Validity Test

| Variable | No. Item | Sig.(2-tailed) | Critical point | Information |
|--|----------|----------------|----------------|-------------|
| Participation of Budget Preparation (X1) | Item 1 | 0,00 | 0,05 | Valid |
| | Item 2 | 0,00 | 0,05 | Valid |
| | Item 3 | 0,00 | 0,05 | Valid |
| | Item 4 | 0,00 | 0,05 | Valid |
| Quality of Human Resource (X2) | Item 5 | 0,00 | 0,05 | Valid |
| | Item 6 | 0,00 | 0,05 | Valid |
| | Item 7 | 0,00 | 0,05 | Valid |
| Implementation of Accounting System (X3) | Item 8 | 0,00 | 0,05 | Valid |
| | Item 9 | 0,00 | 0,05 | Valid |
| | Item 10 | 0,00 | 0,05 | Valid |
| | Item 11 | 0,00 | 0,05 | Valid |
| | Item 12 | 0,00 | 0,05 | Valid |
| | Item 13 | 0,00 | 0,05 | Valid |
| | Item 14 | 0,00 | 0,05 | Valid |
| Performance of Local Government (Y) | Item 15 | 0,00 | 0,05 | Valid |
| | Item 16 | 0,00 | 0,05 | Valid |
| | Item 17 | 0,00 | 0,05 | Valid |
| | Item 18 | 0,00 | 0,05 | Valid |
| | Item 19 | 0,00 | 0,05 | Valid |
| | Item 20 | 0,00 | 0,05 | Valid |

Based on the table above, it can be seen that all questions used to measure the four variables have a sig. (2-tailed) value that is smaller than the construct value, namely 0.05, so that all statements are said to be valid.

H. Reliability Test

According to Ghozali (2006), reliability is a tool for measuring a questionnaire, which is an indicator of a variable or construct. A questionnaire is considered reliable if a person's answers to the questions are consistent or stable over time. A questionnaire is considered reliable if it has a cronbach's alpha value > 0.60 . The results of the reliability test can be seen in the table below:

Table 3. The Result of Reliability Test

| Variabel | Cronbach's Alpha | Coefficient Alpha (α) | Information |
|--|------------------|-----------------------|-------------|
| Participation of Budget Preparation (X1) | 0,693 | 0,6 | Reliable |
| Quality of Human Resource (X2) | 0,633 | 0,6 | Reliable |
| Implementation of Accounting System (X3) | 0,840 | 0,6 | Reliable |
| Performance of Local Government (Y) | 0,832 | 0,6 | Reliable |

Based on Table 3, it can be seen that all research variables have Cronbach's alpha values greater than 0.6 (>0.6). It can be concluded that the questionnaire data in this study is reliable, this meeting the reliability requirements.

I. Classical Assumption Test

Normality Test

The aim is to test whether the confounding or residual variables in the regression model have a normal distribution (Ghozali, 2016). If the probability value is > 0.05, the data is declared to be normally distributed; conversely, if the probability value is < 0.05, the data is declared to be abnormally distributed. The data normality test aims to test whether the regression model between the dependent and independent variables both have a normal distribution or not, which can be seen through the Kolmogorov-Smirnov in the following table:

Table 4. One-Sample Kolmogorov-Smirnov Test

| | | Unstandardized Residual | |
|----------------------------------|-------------------------|-------------------------|------|
| N | | 55 | |
| Normal Parameters ^{a,b} | Mean | .0000000 | |
| | Std. Deviation | 2.02774835 | |
| Most Extreme Differences | Absolute | .157 | |
| | Positive | .088 | |
| | Negative | -.157 | |
| Test Statistic | | .157 | |
| Asymp. Sig. (2-tailed) | | .002 ^c | |
| Monte Carlo Sig. (2-tailed) | Sig. | .120 ^d | |
| | 99% Confidence Interval | Lower Bound | .111 |
| | | Upper Bound | .128 |

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. Based on 10000 sampled tables with starting seed 2000000.

Based on the table above, it can be seen that the asymp. sig. (2-tailed) shows a value of 0.002 < 0.05.

From these results, the data is not normally distributed, so this study uses another option, namely the

Monte Carlo method. After conducting a normality test with the Monte Carlo Sig. (2-tailed) model, the value shows $0.120 > 0.05$, so it can be concluded that the residual or research data is normally distributed.

Multicollinearity Test

In Ghozali (2016), the multicollinearity test aims to test whether the regression model finds a correlation between independent variables. A good regression model should not have a correlation between independent variables. The cut-off value commonly used to indicate the presence of multicollinearity is a tolerance value > 0.10 or equal to a VIF value < 10 . If the VIF of a model is less than 10, the model is declared free from multicollinearity. The results of multicollinearity test can be seen in the table below:

Table 5. The Result of Multicollinearity Test

| Model | | Collinearity Statistics | |
|-------|--|-------------------------|-------|
| | | Tolerance | VIF |
| 1 | Participation of Budget Preparation (X1) | .668 | 1.496 |
| | Quality of Human Resource (X2) | .836 | 1.196 |
| | Implementation of Accounting System (X3) | .670 | 1.493 |

a. Dependent Variable: Performance of Local Government (Y)

Based on the image above, it can be seen from the results of the calculation of the tolerance value which is greater than 0.10 or (>0.10) and the results of the calculation of the Variance Inflation Factor (FIV) which is less than 10 or (<10), it can be concluded that the regression model does not experience multicollinearity or there is no correlation between the independent variables.

Heteroscedasticity Test

In Ghozali (2016), the heteroscedasticity test aims to determine whether the regression model exhibits unequal variances from residuals from one observation to another. A good regression model is one that is homoscedastic, or one that does not exhibit heteroscedasticity. This study uses a scatterplot approach, which examines the distribution of residuals and predicted variables. The results of heteroscedasticity test can be seen in the table below:

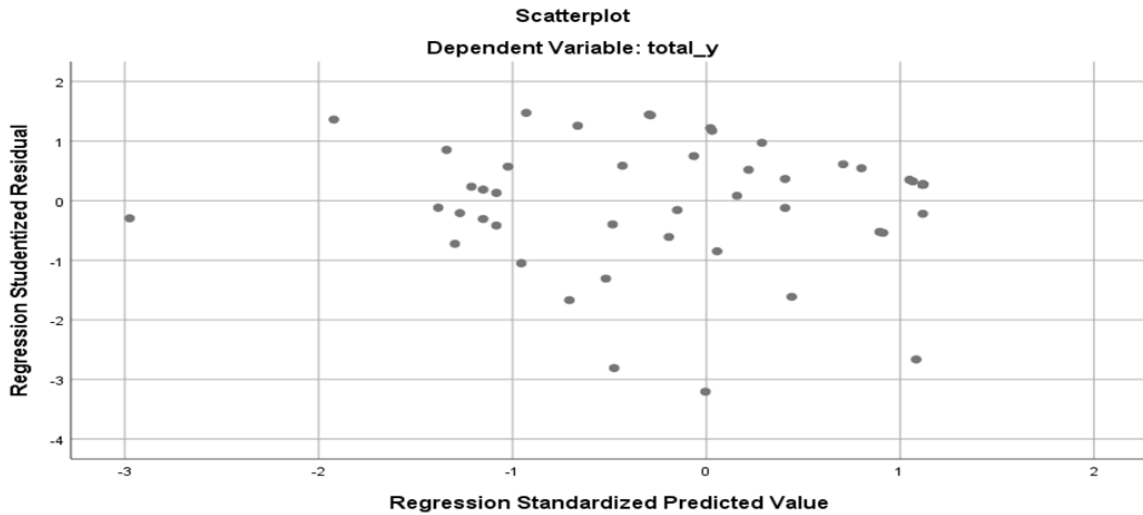


Figure 1. Scatterplot of Heteroscedasticity Test

Based on the image above, the graph shows that this study does not have a clear pattern, and the points above and below the number 0 on the Y axis, it can be concluded that the regression model does not contain heteroscedasticity and has met the assumptions of the heteroscedasticity test.

J. Multiple Linear Regression Analysis

The data analysis model used in this study is multiple linear regression analysis. According to Sugianto (2004), multiple linear regression analysis is used to analyze the influence of more than one independent variable on a dependent variable. The results of the multiple linear regression analysis can be seen in the statistical calculations in the following table:

Table 6. Result of Multiple Linear Regression Analysis

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.212 | 3.943 | | .307 | .760 |
| | total_x1 | .447 | .180 | .328 | 2.489 | .016 |
| | total_x2 | .029 | .222 | .015 | .130 | .897 |
| | total_x3 | .346 | .117 | .391 | 2.969 | .005 |

a. Dependent Variable: total_y

Based on the table above, it can be seen that the constant value (α value) is 1.212 and for Budget Preparation Participation X1 (α value) is 0.447 while Human Resource Quality X2 (α value) is 0.029 and Accounting System Implementation X3 (α value) is 0.346. So the multiple linear regression equation can be obtained as follows:

$$Y = 1.212 + 0.447X1 + 0.029X2 + 0.346X3 + e$$

K. Hypothesis Test

1). Partial Test (T-Test)

The test uses a significance level of 0.05 or by comparing the calculated t value with the t table value. The method for determining the t table uses a significance level of 5% with $df = n-k$. The results of the t test can be seen in the following table:

Table 7. The Result of Partial Test

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------------------------------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 1.212 | 3.943 | | .307 | .760 |
| Participation of Budget Preparation | .447 | .180 | .328 | 2.489 | .016 |
| Quality of Human Resource | .029 | .222 | .015 | .130 | .897 |
| Implementation of Accounting System | .346 | .117 | .391 | 2.969 | .005 |

a. Dependent Variable: Performance of Local Government

Based on the results of the analysis of the table above, it can be seen that the independent variable has a partial influence on the dependent variable in the following description:

a) Hypothesis 1

Hypothesis testing is conducted by comparing the calculated t value with the t table. The hypothesis is accepted if the calculated t value is greater than the calculated t value or the sig value is less than α 0.05. The t table value at α 0.05 is 2.00665. The analysis results from the table above can be seen from the significant value of the budgetary participation variable (X1), which is $0.016 < 0.05$, with a positive coefficient value of 0.447. The calculated t value for the budgetary participation variable is 2.489, so the calculated t value is greater than the t table, namely $2.489 > 2.00665$. The coefficient value of variable X1 is positive at 0.447. This indicates that Budgetary Participation has a significant and positive effect on Regional Government Performance. Therefore, the first hypothesis of this study is accepted.

b) Hypothesis 2

The Human Resource Quality variable (X2) has no effect on local government performance, with a significance level of $0.897 > 0.05$, with a positive coefficient of 0.029. The calculated t-value is 0.130, and the t-value is 2.00665. Therefore, the calculated t-value is $<$ t-value, i.e., $0.130 < 2.00665$, with a

positive coefficient of 0.029. This indicates that this study cannot prove that human resource quality influences local government performance, thus rejecting the second hypothesis.

c) Hypothesis 3

The analysis results from the table above can be seen from the significant value of the accounting system implementation variable (X3), which is $0.005 < 0.05$, with a positive coefficient of 0.346. The calculated t value for the budget participation variable is 2.969, and the t value is 2.0065. Therefore, the calculated t value is greater than the t value, i.e., $2.969 > 2.0065$. The coefficient value of variable X3 is positive, at 0.346. This indicates that the implementation of the accounting system has a significant and positive effect on local government performance. Therefore, the third hypothesis of this study is accepted.

2) Simultaneous Test (F-Test)

The F-test essentially shows whether all independent variables have a collective effect on the dependent variable. The results of the F-test can be seen in the following table:

Table 8. The Result of Simultaneous Test

| Model | Sum of Squares | df | Mean Square | F | Sig. | |
|-------|----------------|---------|-------------|--------|--------|-------------------|
| 1 | Regression | 153.492 | 3 | 51.164 | 11.752 | .000 ^b |
| | Residual | 222.035 | 51 | 4.354 | | |
| | Total | 375.527 | 54 | | | |

a. Dependent Variable: Performance of Local Government

b. Predictors: (Constant), Implementation of Accounting System, Quality of Human Resource, Participation of Budget Preparation

Based on the test results in the table above, it can be seen that the F-value is 11.752 with a significance value of $0.000 < 0.05$. It can be said that the regression equation used is certain and there is a simultaneous influence of the independent variables on the dependent variable. From the test results, it can be concluded that budgetary participation, human resource quality, and the implementation of the accounting system simultaneously have a significant effect on local government performance.

L. Coefficient Determination (R2)

The coefficient of determination aims to assess or measure the model's ability to explain variations in the dependent variable. The results of the coefficient of determination test can be seen in the following table:

Table 9. The Result of Coefficient Determination

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .639 ^a | .409 | .374 | 2.087 |

a. Predictors: (Constant), Implementation of Accounting System, Quality of Human Resource, Participation of Budget Preparation

Based on the table above, the results of the determination coefficient measurement with an R-square of 0.409 or 40.9% are shown. In this case, 40.9% of the variation in regional government performance variables is explained by budget participation, human resource quality, and accounting system implementation. The remaining 59.1% is explained by other variables outside the research model.

V. DISCUSSION AND CONCLUSION

The Influence of Budget Participation on Regional Government Performance

Based on the results of the statistical test, the first hypothesis (H1) was accepted. This concludes that budget participation has a significant positive effect on regional government performance. This indicates a direct relationship between budget participation and regional government performance. Higher budget participation leads to improved regional government performance. Budget participation is a process in which individuals participate in setting the budget, and their performance is then assessed and rewarded based on the achievement of budget targets. Participation in budget preparation is believed to strengthen communication and cooperation between leaders and subordinates. Through this involvement, government performance can improve and achieve organizational goals. This aligns with research by Ayu, Diah, and Kusumastuti (2022), which found that budget participation has a positive and significant impact on local government performance. However, this contrasts with research by Nazaruddin and Setyawan (2012), which found that budget participation had no impact on local government official performance.

The Influence of Human Resource Quality on Local Government Performance

Statistical test results indicate that human resource variables do not significantly influence regional government performance. This means that improvements or changes in human resource quality do not directly impact regional government performance. This finding indicates that although regional governments possess human resources with certain competencies, these factors have not yet significantly contributed to overall performance achievement. This is likely due to several other factors not addressed in this research model. This contradicts the findings of Widayati et al., (2015) study, which stated that human resource quality significantly influences regional government performance. Her research stated that the human element plays a crucial role in carrying out activities to achieve organizational goals. However, the results of the test for hypothesis (H2) align with research by

Marwoto (2012), which showed that human resource quality did not significantly influence the performance of regional government officials.

The Influence of Accounting System Implementation on Local Government Performance

The results of this study indicate that the implementation of an accounting system impacts local government performance. This means that the better the accounting system is implemented, the better the local government's performance will be. This finding illustrates that a well-implemented accounting system can assist local governments in financial management, reporting, and more accurate and transparent decision-making. The results of this study align with research by Widayati (2015), which states that the implementation of an accounting system will run smoothly if the accounting system is implemented in accordance with applicable Government Accounting Standards and the reporting system in the financial statements is conducted periodically. Therefore, it can be concluded that the accounting system plays a crucial role as a managerial tool in improving local government performance by enhancing the quality of financial management and rational decision-making.

The Effect of Budget Participation, Human Resource Quality, and Accounting System Implementation on Regional Government Performance

Research results from the F-statistical test indicate that budget participation, human resource quality, and accounting system implementation simultaneously influence local government performance. This finding indicates that these three variables, together, can improve the effectiveness, efficiency, and accountability of local government performance. Budget participation encourages two-way communication between leaders and subordinates, resulting in a more transparent and realistic financial planning process. Good human resource quality enables optimal task execution because employees possess adequate competence and understanding of their responsibilities. Meanwhile, the implementation of an appropriate accounting system plays a crucial role in providing accurate and reliable financial information as a basis for decision-making. These three factors mutually support effective governance. Therefore, it can be concluded that increasing budget participation, developing human resource quality, and implementing a sound accounting system will collectively strengthen regional government performance toward greater transparency, accountability, and results-oriented performance.

M. Conclusions

Based on the discussion above, the author can draw the following conclusions:

a) Budget Preparation Participation has been shown to significantly influence on Local Government Performance in the Municipality of Ainara.

b) The Human Resource Quality has not been shown to significantly influence on Local Government Performance in the Municipality of Ainaro.

c) Accounting System Implementation has been shown to significantly influence on Local Government Performance in the Municipality of Ainaro.

d) Budget Preparation Participation, Human Resource Quality and Accounting System Implementation together significantly influence on Local Government Performance in the Municipality of Ainaro.

Suggestions

The researcher offers the following recommendations, which are expected to benefit the local government in the Municipality of Ainaro:

a) *The significant influence of budget participation, human resource quality, and accounting system implementation on local government performance in the Municipality of Ainaro can be used as a basis for local government members to further increase employee participation in budget preparation.*

b) *Strengthen human resource capacity through ongoing training and optimize the implementation of a standardized accounting system. These three aspects need to be implemented synergistically to encourage effective and sustainable improvements in local government performance.*

c) *This research is expected to contribute to the development of accounting literature, particularly in public sector accounting.*

d) *Future research is expected to expand the research object to other regions and utilize different research methods to make the results more comprehensive and relevant to current government conditions. Furthermore, comparisons between municipalities in Timor-Leste can be conducted to determine the consistency of the results.*

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