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### The Effect of Internal Control, Utilization of Technology, Compliance with Legislation Regulations on the Performance Accountability of Government Agents (Case Study of Dairi Regency BPKAD)

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#### ABSTRACT

*This study aims to determine whether the Effect of Internal Control, Utilization of Technology, Compliance with Laws and Regulations, either partially or simultaneously, has an effect on the Performance Accountability of Government Agencies (Case Study of BPKAD Dairi Regency). The population in this study were 42 respondents. Samples using purposive sampling. Respondents are all employees of the Regional Asset Finance Agency of Dairi Regency. Based on the data analysis process, the classical assumption test was carried out first and then the hypothesis testing was carried out. The statistical method used is multiple regression analysis. The results of this study indicate that simultaneously Internal Control, Utilization of Technology, Compliance with Laws and Regulations together have a significant positive effect on the Performance Accountability of Government Agencies. Partially, Internal Control has a positive and insignificant effect on the Performance Accountability of Government Agencies, the Utilization of Technology has an insignificant positive effect on the Performance Accountability of Government Agencies, Compliance with Laws and Regulations has a significant positive effect on the Performance Accountability of Government Agencies.*

### 1. INTRODUCTION

There are still many problems with the accountability of the performance of government agencies, one of which is the low level of accountability with a value of approximately 392.8 trillion because the goals or targets set are not oriented. For 6 consecutive years, the accountability of the performance of the Dairi Regency government agencies has received a "C" rating for the evaluation and assessment of the submission of the Government Agency Performance Report (LKIP). Based on the facts, the above phenomenon is the low level of accountability for the performance of government agencies (gajahtobanews, 2020).

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**Tabel 1. Report on the Results of the Performance Accountability Evaluation of Government Agencies**

No	Category	Value number	Interpretation	Number	percentage (%)
1	AA	>90-100	Very satisfy	-	-
2	A	>80-90	Satisfying	1	0,58
3	BB	>70-80	Very good	3	1,74
4	B	>60-70	Well	17	9,88
5	CC	>50-60	Enough	81	47,09
6	C	>30-50	Not Enough	69	40,12
7	D	>0-30	Very Less	1	0,58
Total				172	100%

Source : [www.kompas.com](http://www.kompas.com), 2017

In this report, the level of accountability of most local governments is still low, because according to the PAN-RB minister, to create performance accountability in an agency, it must have good governance and be results-oriented. And (Pj) the Regent acknowledged the need for improvement within the Kampar Regency to improve the quality or accountability of its performance. Accountability for the performance of government agencies is still low, allegedly or caused by inadequate internal control and less than optimal use of technology and compliance with laws and regulations that are still weak or less effective. The purpose of this study was to determine and analyze the influence of Internal Control, the use of technology and compliance with laws and regulations on the Performance Accountability of the BKAD Government Agencies of Dairi Regency

## 2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

### Understanding Accountability

According to Halim (2014), accountability is the obligation to provide accountability or answer and explain the performance and actions of a person/legal entity or leader of an organization to parties who have the right or authority to ask for information or accountability. Public Accountability, which is responsible for managing resources and implementing policies entrusted to reporting entities in achieving the goals that have been set periodically.

### Indicators Accountability

The following are the dimensions and indicators of accountability. According to Mahmudi (2013) sourced from Hopwood and Tomkins (1984), Elwood (1993), these dimensions can be reduced to accountability indicators as follows:

1. Legal Accountability and Honesty (Compliance with the law and Avoidance of corruption and collusion),
2. Process accountability (the existence of compliance with procedures, the existence of responsive public services, the existence of careful public services, and the existence of low-cost public services),
3. Program Accountability (Alternative programs that provide optimal results and Accountability for those that have been made),
4. Policy Accountability (Accounting for the policies that have been taken)

### Performance of Government Agencies

The definition of the performance of government agencies themselves according to the Decree of the Head of the State Administration Agency No: 239/IX/6/8/2003 (improvement of guidelines for the preparation of government agency performance accountability reports) is a description of the level of achievement of the goals or objectives of government agencies as

an elaboration of the vision, mission and strategy government agencies that indicate the level of success and failure of implementing activities in accordance with established programs and policies.

### **Performance Indicators of Government Agencies**

According to Setiawan (2014), to measure performance, the following indicators can be used:

1. *Input*
2. *Output*
3. *Outcome*
4. *benefit-Impact*.

### **Performance Accountability of Government Agencies**

According to the Head of LAN No.239/IX/6/8/2003 concerning guidelines for preparing and reporting Government Agency Performance Accountability is the embodiment of the obligation of a government agency to account for the success and failure of the organization's mission in achieving the goals and objectives that have been set through a periodic accountability system.

### **Performance Accountability Indicators of Government Agencies**

1. Indicators of accountability, according to Andiza (2014), are as follows: Accountability of public institutions to manage organizations effectively and efficiently, Preparation of performance accountability reports
2. Program accountability to program implementation
3. Accountability for setting policy objectives
4. Report conformity with Government Accounting Standards (SAP)

### **Internal control**

The definition of internal control according to AICPA (The American Institute of Certified Public Accountants), in Winarno's book (2006), is as follows: Organizational plans and all coordinated measures and methods applied in a company to protect assets, maintain the accuracy and reliability of accounting data, improve efficiency, and improve compliance with management policies.

### **Internal Control Indicators**

Internal Control System Indicators According to Government Regulation no. 60 of 2008 there are several indicators to measure the success of the influence of the Government's Internal Control System as follows:

1. Control Environment
2. Risk Assessment
3. Control
4. Information and Communication
5. Utilization and Internal Control

### **Technology Utilization**

The obligation to use technology by the central government and local governments is regulated in Government Regulation no. 65 of 2010 concerning Regional Financial Information System which is a substitute for Government Regulation no. 56 of 2005 concerning Regional Financial Information.

### **Technology Utilization Indicator**

According to Jurnal and Supomo (2002), indicators of technology utilization are as follows:

1. Device,
2. Management, and
3. Maintenance Financial Data

### Compliance with Laws and Regulations

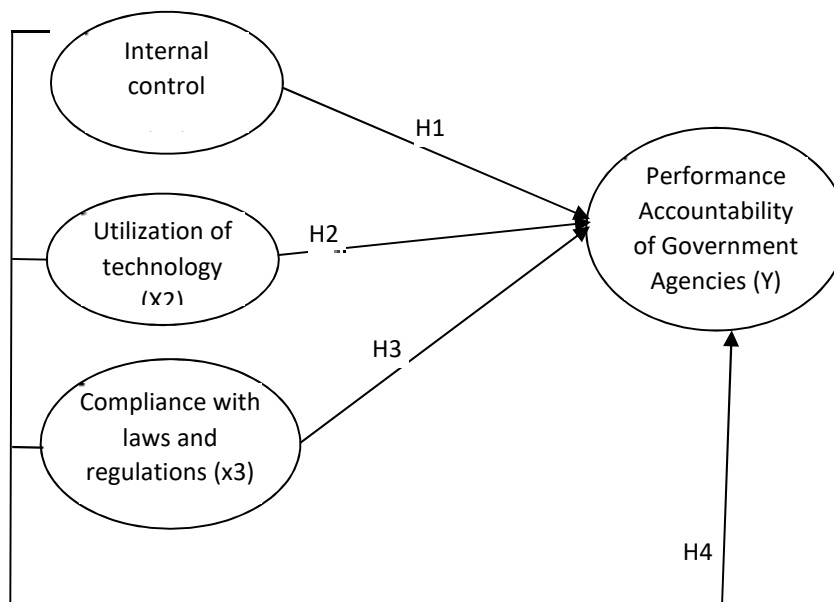
According to Setyawan (2017), argues that "Adherence to laws and regulations is a person's compliance in obeying the regulations that have been established by state institutions or authorized officials and have binding power in order to regulate and discipline every life of the nation and state".

### Indicators of Compliance with Laws and Regulations

Salman (2007), explains the indicators as below, among others:

1. Knowledge of law,
2. Legal understanding, and
3. Attitude law patterns of behavior.

### Framework



**Figure 1. Framework**

### Hypothesis

- H<sub>1</sub> : Internal Control has a positive and significant effect on the Performance Accountability of Government Agencies
- H<sub>2</sub> : Utilization of Technology has a positive and significant impact on the Performance Accountability of Government Agencies
- H<sub>3</sub> : Compliance with Laws and Regulations has a positive and significant impact on the Performance Accountability of Government Agencies
- H<sub>4</sub> : Internal Control, Utilization of Technology and Compliance with Laws and Regulations have a positive and significant impact on the Performance Accountability of Government Agencies

## 3. RESEARCH METHOD

This research was conducted at the Regional Asset Finance Agency of Dairi Regency. The research time starts from the process of determining the research title until the end of the research. The population in this study is the Regional Assets Finance Agency (BKAD), Dairi Regency as many as 42 respondents. Based on this study, because the population is not greater than 100 respondents, the authors take 100% of the population in the Regional Asset Finance Agency of Dairi Regency, namely 42 respondents. The method of data analysis in this study is multiple linear regression analysis (Multiple Regression Analysis). The research data was processed using the Statistical Package for Social Science (SPSS) Version 23 program

#### 4. RESULTS

##### Kolmogorov-Smirnov . Normality Test Results

**Tabel 2. One-Sample Kolmogorov-Smirnov Test**

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		42
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	2.08853763
Most Extreme Differences	Absolute	.155
	Positive	.155
	Negative	-.076
Test Statistic		.155
Asymp. Sig. (2-tailed)		.012 <sup>c</sup>
Monte Carlo Sig. (2-tailed)	Sig.	.239 <sup>d</sup>
	99% Confidence Interval Lower Bound	.228

Source : Data processed from SPSS version 23, 2021

Based on Table 2, it is known that the probability value of p or Monte Carlo Sig. (2-Sig) of 0.239. Because the probability value of p, which is 0.239, is greater than the level of significance, which is 0.05. This means that the assumption of normality is met.

##### Multicollinearity Test Results

**Table 3. Multikolinearitas Test**

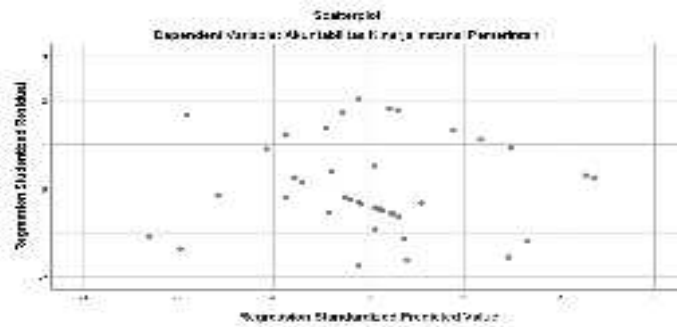
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Internal control	.987	1.013
	Utilization of technology	.992	1.008
	Compliance with laws and regulations	.985	1.016

a. Dependent Variable: Performance Accountability of Government Agencies

Source : Data processed from SPSS version 23, 2021

The VIF value of the internal control variable is 1,013, the VIF value for technology utilization is 1,008 and the VIF for the compliance variable with laws and regulations is 1016. Since each VIF value is not greater than 10, there are no severe symptoms of multicollinearity.

##### Heteroscedasticity Test Results Scatter Plot Graph



Source : Data processed from SPSS version 23, 2021

**Figure 2. Heteroscedasticity Test**

In the scatterplot graph above, there is no clear pattern, and the points spread above and below the number 0 on the Y axis, so it can be concluded that there is no heteroscedasticity in the regression model used.

**Table 4. Heteroskedasitas Test**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.071	3.863		.536	.595
	Internal control	-.017	.051	-.053	-.327	.746
	Utilization of technology	.008	.085	.015	.094	.925
	Compliance with laws and regulations	.012	.054	.038	.232	.818

a. Dependent Variable: RES2

Source : Data processed from SPSS version 23, 2021

Based on the results of the Glejer test contained in the table, it can be seen that the parameter coefficients, for the Internal Control variable, the significance value is  $0.746 > 0.05$ , the Technology Utilization variable has a significant value of  $0.925 > 0.05$  and the Obedience to Legislation variable has a significance value of  $0.818 > 0.05$ . So it can be concluded that  $H_0$  is heteroscedasticity rejected, so there is no heteroscedasticity because the significant value is greater than 0.05.

### Multiple Regression Test Results

**Table 5. Multiple Regression test results**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.598	6.861		-.087	.931
	Internal control	.128	.090	.186	1.423	.163
	Utilization of technology	.044	.151	.038	.291	.773
	Compliance with laws and regulations	.402	.096	.549	4.208	.000

a. Dependent Variable: Performance Accountability of Government Agencies

Source : Data processed from SPSS version 23, 2021

The regression model formed based on table 5 is as follows:

$$Y = -0.598 + 0.128 X_1 + 0.0447X_2 + 0.402X_3$$

Based on the results of the multiple linear regression equation, each variable explains that:

1. A constant of -0.598 states that if the variables of internal control, technology utilization, compliance with laws and regulations are considered constant, then the amount of accountability for the performance of government agencies is -0.598.
2. The regression coefficient for internal control of 0.128 means that if the internal control variable has a positive relationship to the accountability of the performance of government agencies at the Regional Asset Finance Agency of Dairi Regency, it shows that each increase in internal control increases by 1% will cause the accountability of the performance of the agency to increase by 0.128.
3. The regression coefficient for technology utilization of 0.044 means that if the technology utilization variable has a positive relationship to the accountability of government agency performance at the Regional Asset Finance Agency of Dairi Regency, it shows that every 1% increase in technology utilization will cause agency performance accountability to increase by 0.044.
4. The regression coefficient for compliance with laws and regulations of 0.402 means that if the variable of obedience to laws and regulations has a positive relationship to the accountability of the performance of government agencies at the Regional Asset Finance Agency of Dairi Regency, it shows that every increase in compliance with laws and regulations increases by 1% will lead to accountability. agency performance increased by 0.402.

### Partial Test Results (t Test)

**Table 6. t Test**

		<b>Coefficients<sup>a</sup></b>			
		Unstandardized Coefficients		Standardized Coefficients	
Model		B	Std. Error	Beta	T
1	(Constant)	-.598	6.861		-.087
	Internal control	.128	.090	.186	1.423
	Utilization of technology	.044	.151	.038	.291
	Compliance with laws and regulations	.402	.096	.549	4.208
					Sig.
					.931
					.163
					.773
					.000

a. Dependent Variable: Performance Accountability of Government Agencies

Source : Data processed from SPSS version 23, 2021

Based on the results of the table above, it can be concluded about the results of partial hypothesis testing of each independent variable as follows:

1. The t-count value of internal control is  $1.423 < t\text{-count } 2.021$  and the significance value is  $0.163 > 0.05$ . So from the results above, it can be concluded that internal control has no and no significant effect on the accountability of government agencies' performance.
2. The t-count value of the technology utilization variable is  $0.291 < t\text{-count } 2.021$  and the significant value is  $0.773 > 0.05$ . This value shows the second hypothesis that the use

of information technology has no and no significant effect on the accountability of government agencies' performance.

3. The t-count value of internal control is  $4.208 > t$  table 2.021 and the significance value is  $0.000 < 0.05$ . So from the results above, it can be concluded that compliance with laws and regulations has a positive and significant effect on the accountability of government agencies' performance.

### Simultaneous Test Results (F Test)

**Table 6. F Test**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	101.635	3	33.878	7.198	.001 <sup>b</sup>
	Residual	178.842	38	4.706		
	Total	280.476	41			

a. Dependent Variable: Performance Accountability of Government Agencies

Source : Data processed from SPSS version 23, 2021

It is known that the calculated F value is 7.198 based on the comparison of F arithmetic with F table. From the SPSS output, it is known that the calculated F value is  $7.198 > 2.45$  with a probability value (Sig) = 0.001. Because the calculated F is much larger than the F table and the probability value (Sig) is less than 0.05, the regression model can be used to predict that together the accountability of government agency performance can be influenced by internal control, technology utilization, compliance with laws and regulations.

### Koefisien Determinasi ( $R^2$ )

**Table 7. Koefisien Determinasi**

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Durbin-Watson
1	.602 <sup>a</sup>	.362	.312	2.169	2.065

a. Predictors: (Constant), internal control, utilization of technology, compliance with laws and regulations

b. Dependent Variable: Performance Accountability of Government Agencies

Source : Data processed from SPSS version 23, 2021

It is known that the coefficient of determination is  $R^2 = 0.312$ . This value means that all independent variables, namely internal control, technology utilization, compliance with laws and regulations simultaneously affect the performance accountability variable of government agencies at the Regional Asset Finance Agency of Dairi Regency by 31.2%, the remaining 68.8% is influenced by other variables that not included in this study.

### The Effect of Partial Internal Control on the Performance Accountability of Government Agencies

The results of this study do not support hypothesis 1 (H1) which states that the internal control variable has a positive and significant effect on the performance accountability of government agencies. Based on table 4.18 on the test table  $1.423 < t$  count of 2.021 states that internal control has a significant value of  $0.163 > 0.05$ . Thus, the internal control variable has no effect and is not significant on the performance accountability of government agencies, so H1 cannot be accepted. Thus, it can be concluded that in this study Internal Control has no and no significant effect on the Performance Accountability of Government Agencies.



### **The Effect of Partial Utilization of Technology on the Performance Accountability of Government Agencies**

The results of this study do not support hypothesis 2 (H2) which states that the Technology Utilization variable has a positive and significant impact on the Performance Accountability of Government Agencies. Based on table 4.18 about the test table  $0.044 < t$  count of 2.021 states that the use of technology has a significant value of  $0.773 > 0.05$ . Thus, the technology utilization variable has no and no significant effect on the performance accountability of government agencies, so H2 is rejected.

### **The Effect of Partial Obedience to Laws and Regulations on the Performance Accountability of Government Agencies**

The results of this study support hypothesis 3 (H3) which states that the variable of obedience to laws and regulations has a positive and significant effect on the accountability of the performance of government agencies. Based on 4.18 on the t-table test of  $4.208 > t$ -count 2.021, it is stated that compliance with laws and regulations has a significant value of  $0.000 < 0.05$ . Thus, the variable of obedience to laws and regulations has a significant positive effect on the performance accountability of government agencies, so H3 is accepted.

### **Effect of Internal Control, Utilization of Technology, Compliance with Laws and Regulations Simultaneously on Performance Accountability of Government Agencies**

The results of this study support hypothesis 4 (H4), namely that internal control, technology utilization, compliance with laws and regulations have a significant positive effect simultaneously on the performance accountability of government agencies. This is evidenced by the Fcount value of  $7.198 > 2.45$  with a significant value of 0.001. Because the probability is smaller than 0.05 or 5%, the regression model can be used to determine the internal control, technology utilization, compliance with laws and regulations simultaneously have a significant effect on the accountability of government agency performance. This means that if the Internal Control, Utilization of Technology, Compliance with Laws and Regulations are implemented and implemented properly, the Performance Accountability system of Government Agencies can run well. On the other hand, if Internal Control, Utilization of Technology, Compliance with Laws and Regulations are not implemented properly, the Performance Accountability of Government Agencies is not good.

## **5. CONCLUSION**

Based on the results of the analysis and discussion of the data, the authors obtained the following conclusions:

1. From the research results, there are internal control variables that have a T table value of  $1.423 < t$  count of 2.021 and a significance value of  $0.163 > 0.05$ . These results indicate that Internal Control has no effect and is not significant so that from the results above the first hypothesis is rejected.
2. From the results of the research, there is a variable using technology that has a T table value of  $0.044 < t$  count of 2.021 and a significance value of  $0.773 > 0.05$ . These results indicate that the use of technology has no effect and is not significant so that from the results above the second hypothesis is rejected.
3. Compliance with laws and regulations partially has a positive effect. From the results of the study, there is a variable Obedience to Laws and Regulations which has a T table value of 4.208 and a significance value of  $0.000 < 0.05$ . These results indicate that Obedience to Legislation has a significant positive effect so that from the results above, the third hypothesis is accepted.

4. From the results of the F table test, it is known that the F table value is  $7.198 > F$  count 2.45 with a probability (Sig) of  $0.001 < 0.05$ . Because the probability (Sig) is smaller than 0.05, the regression model can be used to predict that simultaneously the Performance Accountability of Government Agencies can be influenced by the variables of Internal Control, Technology Utilization, Compliance with Laws and Regulations so that the fourth hypothesis is accepted.

## 6. LIMITATION

There are several suggestions as follows: For researchers, next, it is recommended to add the Clarity of Budget Goals variable. Because the government uses the budget as a tool to design work programs or steps that will be carried out, each activity can be well directed and controlled in theory towards the accountability of government agency performance. For the Regional Asset Finance Agency of Dairi Regency which is the subject of this research, it is more paying attention to aspects of internal control, technology utilization, compliance with regulations. With the implementation of good internal control and the use of technology that helps facilitate work and compliance with regulations that have been implemented by the government.

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