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**THE EFFECT OF ACCOUNTING CONTROLS AND REPORTING
SYSTEMS ON PERFORMANCE ACCOUNTABILITY THROUGH
LEADERSHIP AS AN INTERVENING VARIABLE IN REGENCY
REGIONAL FINANCIAL AND ASSET AGENCIES EAST LUWU**

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Abstract:

This research aims to examine the relationship and influence of Accounting Control and Reporting Systems on Performance Accountability through Leadership as an Intervening variable in the East Luwu Regional Financial and Asset Agency. The research methodology was carried out using quantitative methods by conducting a Patrial Squere Test, using research samples with primary data sources, namely Kuisinoer. Research Location at the East Luwu Regency Regional Financial and Asset Agency. The results found from the research show that accounting control has no effect on performance accountability. The Reporting System has an influence on Performance Accountability. Accounting controls have no effect on leadership. The Reporting System influences leadership. Leadership influences performance accountability. Accounting controls have no effect on performance accountability through leadership. The reporting system influences performance accountability through leadership.

Keywords:

Accounting Control, Reporting System, Performance Accountability, Leadership

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Introduction

Regional Financial Management is a logical consequence of the implementation of fiscal decentralization in the context of implementing regional autonomy as mandated by Law Number 23 of 2014 concerning Regional Government. In the implementation of government administration which is based on the regional income and expenditure budget (APBD), it is necessary to regulate accounting control as a meter subject for recording financial transactions and supported by a reporting system as an output of state financial accountability to the public. So, to achieve good performance accountability, a managerial system of leadership is needed as a leader in managing existing resources in each government organizational unit.

Accounting control is a process of setting standards to make the goals of a government agency focused and achieved as reflected in reliable financial reports, programs that run effectively and efficiently, and comply with applicable laws and regulations. Accounting control is a guideline in carrying out processing of accounting data in order to prevent errors or irregularities (Precelina & Wuryani, 2019). Accounting control is part of internal control which is the organizational structure and all coordinated methods and tools used within the company with the aim of maintaining the security of company property, advancing efficiency in operations, and helping to ensure compliance with management policies that have been determined more formerly. Baridwan (2001).

According to Presidential Regulation no. 29 of 2014 concerning the Government Agency Performance Accountability System, the Ministry of PANRB has developed SAKIP as a form that government agencies have an obligation to provide accountability for the results of implementing programs and activities that have been determined by the parties involved. SAKIP aims to achieve organizational goals with measurable performance targets through regular agency performance reports. The government in providing public services must implement the principle of openness and responsibility to the community. Accountability for government performance refers to the responsibility of a government institution to report on the implementation of organizational goals in order to achieve agreed goals and targets, using a periodic responsibility reporting mechanism. Accountability is considered to be able to change a bad and corrupt government situation into a government system that is more democratic and effective in providing public services. Responsible government will get support from the public, believe in what is planned and implemented by programs that focus on the interests of society. Research conducted by Rio Pratama (2019) and Anju Rayman (2024) suggests that accounting controls and reporting systems have an effect on performance accountability.

Bastian (2010) stated that performance reporting is a reflection of the obligation to present and report the performance of all activities and resources that must be accounted for. This reporting is a manifestation of the performance accountability process. Research conducted by Medelyn Sonya Mikoshi (2020). Reporting System does not reporting system has a significant effect on Performance Accountability. Leadership creates characteristics of an organization that

are different from other organizations. Leadership that is carried out effectively and dynamically is a key resource and is difficult to find. However, this does not indicate that a manager is unable to become someone who has effective or dynamic leadership. Ahmad (2020) stated that leadership style has a direct and significant influence on performance.

The East Luwu Regency Regional Finance and Assets Agency is an SKPD which has the duties and functions of managing regional finances. To carry out this task, the East Luwu Regency Regional Financial and Asset Agency has Main Performance Indicators that must be achieved. Based on this, the author is interested in researching the Influence of Accounting Control and Reporting Systems on performance accountability through leadership at the Luwu Regency Regional Financial and Asset Agency East.

Literature Review

Accounting Controls

Anthony (2005:3) control is a device that measures and assesses what actually happens in the process being carried out, while accounting control in an organization is to ensure that the preparation and recording steps have been carried out and financial integrity is created from the activities organization. According to Mardiasmo (2009:35), the main function of accounting information is basically control. Apart from that, in understanding accounting as a control tool, it is necessary to differentiate between the use of accounting information as a financial control tool and accounting as an organizational control tool.

Mulyadi (2016) stated that accounting control consists of accounting internal control and administrative internal control. Accounting internal control includes organizational structures, methods and measures that are coordinated primarily to maintain organizational assets, check the accuracy and reliability of accounting data. Good internal accounting controls will guarantee the wealth of investors and creditors invested in the company which will produce reliable financial reports. Administrative internal control includes organizational structures, methods and measures that are coordinated primarily to encourage efficiency and compliance with management policies. According to Widaryanti and Pancawardani, (2020). Internal regulations not only function to regulate, supervise and assess an organization's resources; it is also a system that includes the organizational structure and all the rules and procedures used together to protect the wealth and assets of the organization as a whole.

Reporting System

Yogi (2019). An effective reporting system is needed to detect and monitor the use of the established budget. This system must also demonstrate how the level of accountability varies from subordinate to superior. Good reporting system established budget (Hilmi, 2004). The reporting system is a budget report that details various achievements of the budget based on factors that cause the budget itself and the organizational unit responsible for the budget (Anthony, 2000). The reporting system is a report that describes the accountability system from subordinates to superiors. A good reporting system is needed to be able to monitor and control managerial performance in carrying out the budget that has been set (Abdullah, 2005).

Performance Accountability

The superior performance of government institutions indicates that they have responsibility for the success or failure of implementing their organization's mission. This is done by ensuring

that the person in charge is doing the right thing. The performance accountability parameters of government institutions are efficiency, effectiveness and results. Apriliani, (2022). Accountability can be understood as the obligation of the fiduciary (agent) to provide accountability, present, report and disclose all activities and actions for which they are responsible to the fiduciary (principal) who has the right and authority to demand that accountability. Performance is the result of work that has been achieved from implementing an activity with the aim of achieving the goals, objectives, mission and vision of the organization. The public sector performance measurement system is a system that aims to help public sector managers assess the achievement of a strategy through financial and non-financial measuring tools. (Sujarweni, 2015:107).

The Government Agency Performance Accountability Report is a government agency performance accountability report. The Government Agency Performance Accountability Report is the final product of the Government Agency Performance Accountability System and describes the performance achieved by government agencies in implementing programs and activities funded by the APBN/APBD. In creating LAKIP, government agencies must be able to quantitatively determine the amount of performance produced, namely the amount in the form of numbers or percentages. Revenue from LAKIP can be used as evaluation material for relevant government agencies for 1 budget year. The preparation of LAKIP is based on Presidential Regulation Number 29 of 2014 concerning the Government Agency Performance Accountability System (SAKIP) and Minister of PAN&RB Regulation Number 88 of 2021.

Leadership

Accountability for the performance of government agencies is the embodiment of the obligation of a government agency to be accountable for the success or failure of implementing the organization's mission to achieve the targets and objectives that have been set through a periodic accountability system (Pusdiklatwas BPKP, 2007). Leadership according to Siagian (2002) states that leadership is a person's ability to influence other people (subordinates) in such a way that other people are willing to carry out the leader's wishes, even though they personally may not like it. There are three forms of leadership in organizations or companies, namely interpersonal roles, informational roles, and roles decision-making. Leadership is a process by which a person or group tries to influence the tasks and attitudes of others towards a desired outcome to achieve the organization's vision and mission (Moehariono, 2012: 382). Handoko. (2011) Managerial leadership can be defined as the process of directing and influencing the activities of a group of interconnected members. Leadership according to Yukl (2010) is the process of influencing other people to understand and agree with what needs to be done and how the task is carried out effectively, as well as the process of facilitating individual and collective efforts to achieve common goals.

Hypothesis

1. There is a positive influence of accounting control on performance accountability in the Regional Financial and Asset Agency of East Luwu Regency (H1)
2. There is a positive influence of the Reporting System on Accountability in the Regional Financial and Asset Agency of East Luwu Regency. (H2)
3. There is a positive influence of accounting control on leadership in the Regional Financial and Asset Agency of East Luwu Regency (H3)
4. There is a positive influence of the Reporting System on Leadership in the Regional Financial and Asset Agency of East Luwu Regency. (H4)

5. There is a positive influence of accounting control on performance accountability through leadership in the Regional Financial and Asset Agency of East Luwu Regency (H5)
6. There is a positive influence of the Reporting System on Performance Accountability through Leadership in the East Luwu Regency Regional Financial and Asset Agency. (H6)
7. There is a positive influence of leadership on performance accountability (H7)

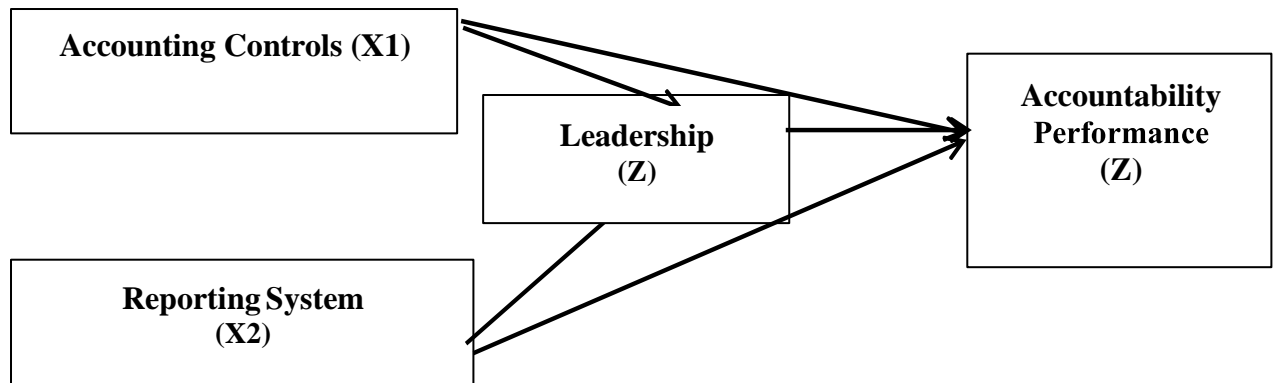


Figure 1. Conceptual Framework

Methodology

This type of research is causative research. Causative research is a type of research with problem characteristics in the form of a causal relationship between variable x and variable y. The aim of this research is to see the influence of a variable on other variables. In this case, it explains and shows the influence of accounting control and reporting systems on the accountability of the performance of the East Luwu Regency Regional Government. The researcher used the entire population as a sample (total sampling) because the numbers were small and did not exceed 100 subjects. The data collection technique used is primary data using a questionnaire.

Results And Discussion

R Square

For Adjusted R Square, it is the R Square value that has been corrected based on the standard error value. The Adjusted R Square value provides a stronger picture than R Square in assessing the ability of an exogenous construct to explain an endogenous construct.

Table 1. R Square and R Square Adjusted

Variable	R Square	R Square Adjusted
Performance Accountability	0.789	0.757
Leadership	0.757	0.734

Based on Table 1 above, the R Square of Performance Accountability is 0.789, which means it is classified as strong with an Adjusted R Square value of 0.757. Meanwhile, the Leadership Variable has an R Square value of 0.757, which means it is classified as strong with an Adjusted R Square value of 0.734.

F Square

Path coefficient (path coefficients) is a value that is useful in indicating the direction of the relationship between variables, whether a hypothesis has a positive or negative direction. Path coefficients has a value in the range -1 to 1. If the value is in the range 0 to 1 then it can be stated as positive, whereas if the value is in the range -1 to 0 then it can be stated as negative. (Ghozali, 2016).

Table 2. F Square

Variable	Performance Accountability	Leadership
Leadership	0.485	
Accounting Controls	0.017	0.925
Reporting System	0.046	0.041

Based on Table 2 above, it can be explained as follows:

- a) Leadership has an impact on performance accountability with an F Square value of 0.485, which means it is large.
- b) Accounting Reliance has an impact on Performance Accountability with an F Square value of 0.017 which means weak and for leadership with an F Square value of 0.925 which means quite large.
- c) The Reporting System has an impact on Performance Accountability with an F Square value of 0.046 which means weak and for leadership with an F Square value of 0.041 which is quite weak.

Path Coefficients

Path coefficient (path coefficients) is a value that is useful in indicating the direction of the relationship between variables, whether a hypothesis has a positive or negative direction. Path coefficients has a value in the range -1 to 1. If the value is in the range 0 to 1 then it can be stated as positive, whereas if the value is in the range -1 to 0 then it can be stated as negative. (Ghozali, 2016)

Table 3. Path Coefficients

NO	Variable	Original Sample (O)	Samples Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))
1.	Control Accountancy To Accountability Performance	- 0.129	- 0.067	0.423	0.304
2.	Reporting System for Performance Accountability	0.158	0.223	0.327	0.485
3.	Control Accountancy On Leadership	- 0.744	- 0.302	0.623	1,193
4.	Leadership Reporting System	0.156	0.264	0.258	0.606
5.	Leadership To Performance Accountability	0.649	0.558	0.296	2,193

Based on Table 3 above, Hypothesis Testing for the Inner Model is as follows:

- a. First Hypothesis
 Based on the results in table 3, it appears that the Accounting Control variable has a negative influence (no effect) on performance accountability with a parameter coefficient value of -0.129 with a statistical value of 0.304.
- b. Second Hypothesis
 Based on the results in table 3, it appears that the Reporting System variable has a positive influence on performance accountability with a parameter coefficient value of 0.158 with a statistical value of 0.485.
- c. Third Hypothesis
 Based on the results in table 3, it appears that the Accounting Control variable has a negative influence (no effect) on leadership with a parameter coefficient value of -0.744 with a statistical value of 1.193.
- d. Fourth Hypothesis
 Based on the results in table 3, it appears that the Reporting System variable has a positive influence on leadership with a parameter coefficient value of 0.156 with a statistical value of 0.606.
- e. Fifth Hypothesis
 Based on the results in table 3, it appears that the Leadership variable has a positive influence on performance accountability with a parameter coefficient value of 0.649 with a statistical value of 2.193.

Path Coefficients

Inderect Effect to determine the indirect influence of the Independent variable (exogenous) on the dependent variable (endogenous) through the intermediary variable (Intervening).

Table 4. Indirect Effect

NO	Variable	Original Sample (O)	Samples Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)
6.	Control Towards Accountability Through Leadership	- 0.483	- 0.184	0.397	1,216
7.	System Reporting To Performance Accountability Through Leadership	0.101	0.157	0.164	0.617

Based on Table 4 above, Hypothesis Testing for the Indirect Effect or Mediation Effect is as follows:

f. Sixth Hypothesis

Based on the results in table 4, it appears that Accounting Control has a negative effect (no effect) on performance accountability through leadership with a parameter coefficient value of -0.483 with a statistical value of 1.216.

g. Seventh Hypothesis

Based on the results in table 4, it appears that the Reporting System has a positive effect on performance accountability through leadership with a parameter coefficient value of 0.101 with a statistical value of 0.617.

Conclusion

1. Accounting controls have no effect on performance accountability, so the first hypothesis (H1) is rejected.
2. The Reporting System has an influence on Performance Accountability, so the second hypothesis (H2) is accepted.
3. Accounting controls have no effect on leadership, so the third hypothesis (H3) is rejected.
4. The reporting system influences leadership, so the fourth hypothesis (H4) is accepted.
5. Leadership influences performance accountability, so the fifth hypothesis (H5) is accepted.
6. Accounting controls have no effect on performance accountability through leadership, so the sixth hypothesis (H6) is rejected.
7. The reporting system influences performance accountability through leadership, so the seventh hypothesis (H7) is accepted.

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