

## Review Article

## The Evaluation of Transparency and Accountability of Performance of Public Sector in the Agency of Public Housing and Settlement Zone of Aceh Province, Indonesia

Ria Zulyanti\*<sup>1</sup>, Zuraida<sup>1</sup> and Heru Fahlevi<sup>1</sup>

Magister of Accountancy Program, Faculty of Economics and Business, Universitas of Syiah Kuala Banda Aceh, Indonesia

\*Corresponding Author

Ria Zulyanti

**Abstract:** This study aims to obtain an overview of transparency and accountability evaluation of public sector performance. Understanding of government especially governmental institution in implementing transparency and accountability is highly expected in the future. This research was conducted to find out mechanism and stages of LAKIP preparation, how LAKIP is used as media of transparency and performance accountability, and what inhibiting or supporting factors in implementing transparency and accountability measurement of Aceh Housing and Settlement Agency performance are. This research uses qualitative method and applies case study approach. Used data are both secondary and primary data namely interview, observation, and documentation. Data analysis methods used are interactive data analysis method based on Miles and Humberman and technique of triangulation data validity. Result of the research shows that application of transparency and accountability in determining performance achievement in Aceh Housing and Settlement Agency performance is still lack. Implementation of transparency and performance accountability at Aceh Housing and Settlement Agency has been fulfilled even though not all application operated optimally. Achievement of performance in Aceh Housing and Settlement Agency has achieved good performance. Several constraints faced are incomplete performance of applying transparency and accountability, disarranged and unsystematic provision of supporting facilities to control and evaluate overall valuation of transparency and accountability performance of Aceh Housing and Settlement Agency. Result also discovers that there is absence of evaluation and improvement on adaptation and discussion of future performance achievement.

**Keywords:** Evaluation, Transparency, Accountability, Performance and Public Sector.

### INTRODUCTION

Spirit of reform requires government agencies to continue creating transparency and accountability to achieve better performance. This is in line with demands of clean government and good governance system, so that it can give broad responsibility to the government apparatus. In order to achieve the goal, it is necessary to have a proper, clear and real accountability system that can maintain government and development administration efficiently, effectively, and economically.

Growing public trust about transparency and accountability performance is the most important thing that must be applied by an organization/ agency. The transparency and accountability is a mechanism that

public officials must undertake to explain and ensure relevant and responsible actions (Scott, 2000). Previous studies showed that governmental organizations have not been able to realize transparency and public accountability, even though they have clear mechanisms in the implementation so that there are still many apparatus in governmental organizations that do not fulfill or have lack compliance with the implementation (Basri, 2014).

Despite being established for long time ago, development of performance measurement system (SPK) in Indonesia has not run optimally. It was found that local governments in Indonesia developed performance indicators to meet financial accountability obligations, not to improve organizational efficiency

Quick Response Code



Journal homepage:

<http://www.easpublisher.com/easjebm/>

Article History

Received: 29.11.2019

Accepted: 11.12.2019

Published: 27.12.2019

**Copyright © 2019 The Author(s):** This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC 4.0) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.

DOI: 10.36349/easjebm.2019.v02i12.012

and effectiveness. The main reason for developing indicators and obeying the central government (Akbar *et al.*, 2012).

Content of this journal is researchers linked performance evaluation with 2016 LAKIP. Nationally, LAKIP is in line with ideas development occurring in various regions. Decision of the Head of State Administration Institution (LAN) No. 239 / IX / 6/8/2003, guideline for preparation of LAKIP, is deemed necessary to figure out ability of each agency in achieving its vision, mission and objectives.

According to Halim and Kusufi (2014), on the other hand government is faced by a number of demands in terms of both internal and external aspects in terms of society welfare demands as implications of transparency and accountability implementation in improving public services performance.

This study aims to understand how transparency and accountability evaluation of public sector performance that describes how Aceh Housing and Settlement Agency in applying transparency and performance accountability in mechanism and stages of LAKIP and LAKIP formulation used as a report of transparency and accountability and threatening or supporting factors in transparency and performance accountability application of government agencies.

Furthermore, this research will describe theories and previous researches in the literature review briefly. The next section relates to explanation of the use of research methods. Further described also about the research findings and followed by discussion. This research presents conclusions of this study, limitations and suggestions for future studies about transparency and accountability of public sector performance.

## LITERATURE REVIEW

Transparency and accountability of performance is a tangible, clear, open and can be held responsible to succeed the performance, thus it is an obligation to give accountability or to take responsibility and explain performance and actions of an employee/ legal entity/ head of an organization to authorized parties to request information or accountability (guidelines for the preparation of AKIP 1993: 3).

Performance transparency is urgently needed and required in an institution or a public institution. It should be done as a form of initial supervision of any actions that have been/ will be taken in an institution. According to Hari (2007: 38), transparency of performance is one of the fundamental aspects for realization of good government implying openness, relevance, and ease to be accessed by public. Openness and ease to access governmental information gives influence to realize various performance indicators.

Performance accountability of a government agency is an obligation embodiment of the agency to take into account success or failure of the implementation conducted by an institution (Governmental Institution Accountability Study Team, 2000: 1). Budiarjo (1998: 78), defines performance accountability as accountability of party authorized/ mandated to government which authorize them. Therefore, performance accountability can be interpreted as accountability by creating supervision through power distribution in various governmental institutions thereby reducing appointment of power and creating conditions of mutual supervision.

According to Indonesian Comprehensive Dictionary (KBBI), performance means "an accomplished goals, demonstrated achievement, and work selection ability. Meanwhile, according to Darmawan (2011: 193), performance is something that is related to agreed plan or standards. Achievement standards should be applied in each performance to improve effectiveness of subsequent performance.

In fact, public sector demands can be interpreted as an accounting study area that specifically discuss use of accounting in public sector thus in its application, it can be used by public in implementation of performance accountability. Transparency and accountability activities are also considered inadequate, that can be seen in lack of information on transparency and accountability of public sector performance (Kondo, 2002: 8). Resulted transparency and performance accountability indicators are the fundamental principal in improving efficiency and effectiveness of public sector transparency that is exactly related to vision, mission and objectives of organization (LAKIP, 2016).

Role of media is very crucial for implementation of transparency and accountability of government agency performance, as an opportunity to communicate to public, as relevant information, and also as *watchday* for various government actions and deviant behavior of bureaucratic apparatus. Researches about implementation of central and local transparency and public accountability evaluation have been widely practiced, which can be explained significantly by previous researches.

Implementation of performance transparency and accountability required good internal control and external control and also good accountability (Tampubolon, 2007). In contrast, Abdullah (2006) recommended that transparency and accountability of public performance related to ethics can be improved by distributing development of governmental accounting in the future evaluation study of performance transparency and accountability. It can be seen if financial statements

and success of an agency can be accessed by public and useful for public thus public sector can apply it as a tool to realize transparency and public accountability to implement good governance.

Meanwhile, according to Riharjo (2015), measurement of performance in terms of economic level, performance level should be more economical based on realization comparison about performance measurement in terms of effectiveness level that shows performance achievement.

## RESEARCH METHOD

This research uses qualitative method, which is generally done on case study research. The case study approach involves an deep analysis concept to similar circumstances in other organizations. Occuring characteristics and research problems are similar to experienced current condition (Sekaran, 2006: 46).

Consideration of a case study approach selection is fundraising is a good case to learn and to interpret in particular dynamics situation, and application of case study analysis in an organization is very crucial to solve success problem. Object of this study is implementation of performance accountability system of government agencies (SAKIP) as a performance measurement system in Indonesia. This research was conducted at Aceh Housing and Settlement Agency. In this study, Methods used include interviews, observation, and documentation. Data collections are primary data and secondary data. Primary data is obtained through data collection techniques including interviews and direct observation, while secondary data is obtained from study of literatures or documentations (Sugiyono, 2014: 224).

In processing data, this research uses Nvivo software, in which the software is commonly used for qualitative research. In general, qualitative research aims to explore and understand more depth (Bandur, 2014, p.16). The qualitative data are in-depth, detailed, and also lengthy. Therefore, analysis of qualitative data is specific, especially in summarizing data and integrating it in an easily understood flow analysis.

## RESULTS AND DISCUSSIONS

### Implementation of Performance Transparency and Accountability in Aceh's Office of Perkim.

Implementation of transparency and performance accountability at Aceh Housing and Settlement Agency is still not complete. This is can be seen in lack of employees' understanding about transparency and accountability. This is a very important constraint. Several efforts done in applying transparency and performance accountability in Aceh Housing and Settlement Agency are:

1. Increase human resource capacity.
2. Improved financial capacity/ assessment.

3. Increase capacity of information technology.
4. Increase system capacity.

### Constraints that occur in implementation of transparency and performance accountability in Aceh Housing and Settlement Agency are:

- Lack of employee understanding in determining achievement of transparency and performance accountability.
- Lack of socialization in implementing transparency and performance accountability.
- Lack of work ethic openness.

Implementation of transparency and performance accountability can work well if supported by a good and comprehensive understanding of public sector performance transparency and accountability concept. Based on interview results, implementation of transparency and performance accountability in Aceh Housing and Settlement Agency is good but lack of socialization and understand significantly to transparency and accountability of comprehensive performance of daily job description. Thus, role of superiors and employees is certainly very necessary in improving and controlling government policies. Results of this study are consistent with previous research done by Tampubulon (2007), which states that transparency and accountability of performance required internal control and external control is good and can be accounted for. Role of superiors and employees is necessary for implementation of transparency and accountability of performance in an organization/ institution.

### Mechanisms and stages of preparation of LAKIP at Housing and Settlement Agency.

The mechanism and stages of preparation of LAKIP at Housing and Settlement Agency is planning stage (process of preparing initial concept of performance plan) when planned, assessed and implemented. Performance plan undertaken at the beginning of fiscal year runs to the end of the second quarter which is the end of performance plan concept for the next year and begins after formulating final concept of performance determination plan.

### Mechanism and stage of preparation of LAKIP in Housing and Settlement Agency:

1. Every chief of department/ LPND (government agency of Nondepartment), local government, work unit of work unit in it must prepare performance accountability report regularly and periodically to be conveyed to superiors.
2. Annual LAKIP from each department/ LPND, each of chief conveys to the Governor and deputy Governor with a copy to responsible secretary in utilization of state apparatus (PAN) and to welfare and development supervisory board (BPKP).
3. Annual LAKIP of each provincial government should be conveyed to the Governor/ representative

with a copy of regional secretary responsible for PAN, and head of BPKP.

4. Head of BPKP should evaluate the LAKIP and report the results to the Governor through sub-sector inspection responsible for PAD and the results are reported to the State Administration Agency (LAN).
5. Head of LAN conducts reviews and assesses progress of implementation of accountability system and its performance, and reports to the Governor through responsible party of PAN.

**The stages in the preparation of LAKIP are as follows:**

1. Establish working team for preparation of LAKIP.
2. Understand the policies related to LAKIP.
3. Collect internal/ external data.
4. Discusses and classifies internal/ external data.
5. Prepare RKAKL/ DIPA recapitulation.
6. Perform performance measurement with performance determination materials (PK).
7. Encourage/ emphasize monthly performance measurement to work units or implementation activities.
8. Perform performance evaluation.
9. Conduct narrative of LAKIP.
10. Deliver LAKIP that has been compiled to leadership of institution to be signed or legalised then submitted to Director General of Housing and Settlement Agency.

Results of LAKIP research/ evaluation are not satisfy, not only fault of process of preparing LAKIP, but also weakness of the overall implementation of the LAKIP system. Based on the evaluation of some reports of LAKIP evaluation results and discussions results with several government agencies in charge of preparing LAKIP, it can be identified several problems in preparing LAKIP is implementation of performance management that is still oriented to output rather than outcome.

**LAKIP Used as Media Transparency and Accountability for Performance at Aceh Housing and Settlement Agency.**

Based on observations, interview, and documentation of this research, transparency and accountability of performance in Aceh Housing and Settlement Agency described in LAKIP include performance indicators based on the SPK. Based on the above explanation, it can be concluded that transparency and accountability of performance in indicator determination has been referred to Renstra Dinas Perkim that guided by SAKIP so that we can see that LAKIP is used as accountability report in Aceh Housing and Settlement Agency.

**Aceh Housing and Settlement Agency uses LAKIP as a medium of transparency and performance accountability to:**

1. Improve agency accountability and credibility.
2. Feedback for improving performance of government agencies in performing agency duties and responsibilities.
3. Encourage government agencies to carry out public duties and development well in accordance with provisions of applicable legislation.
4. Make government agencies accountable.

Preparation of LAKIP by each agency, can not be apart from tupoksi charged to concerned agency. In this case, the tupoksi which is concerned to Aceh Housing and Settlement Agency accordance with Qanun Aceh No. 15/ 2012 regarding amendment to Qanun Aceh No 5/ 2007 concerning organizational structure and working procedure of local government agency, province agency of Aceh.

Based on research results from interview, there is still a constraint in application of LAKIP Aceh Housing and Settlement Agency that has been running but still not optimal. It is caused by not composing transparency thoroughly thus it needs better determination in the future. The results of this study are in accordance with research conducted by Hari (2007: 38), that performance transparency is one of fundamental aspects for realization of good government administration, shows good governance and hints openness, access information easily for that affects realization of other needs.

**Capacity in Aceh in the Office of Local Government Implementing Performance Transparency and Accountability.**

Human resources that are transparent and accountable in implementing transparency and accountability still require further review in quality and quantity so that transparency and performance accountability can be achieved completely. Capacity of Aceh Housing and Settlement Agency in implementing transparency and accountability of its performance are:

1. Availability of reliable resources.
2. Has performance-based capacity.
3. Has responsibility in achievement of activity program.

Performance-based development capacity is not just implementing planned programs / activities, but the most important aspect of performance-based development is to encourage change, where programs / activities and other resources that are transparent and accountable are achieved to achieve those changes. Based on the results of performance measurements that have been done in outline shows that the achievement of performance in the Office Perkim Aceh has shown success in realizing the vision, mission and objectives listed in the Renstra. In the context of classification of success rate when measured from the achievements that have been set, the general

performance of government agencies, especially the Office of Perkim Aceh is still not maximal or enough.

Based on the results of the interview data shows that the capacity of the Office of Perkim in carrying out the transparency and accountability of its performance in the Office of Perkim Aceh is the assessment of its performance has not been realized as desired by the achievement of maximum performance. In relation to the absence of the maximum achievement of performance in the Office of Perkim Aceh, it is in accordance with previous research conducted by Sadjiarjo (2000), stating that the transparency of public policy is the perception of respondents about the openness of the budget / information easily accessible by the community. Where community participation is needed in order to realize the transparency of performance so that it can be useful for those who need it.

#### **Factors Inhibiting or Supporting in the Implementation of Transparency and Accountability of Work At Aceh Housing and Settlement Agency.**

Based on the results of interview, limiting factor in implementation of transparency and accountability for performance in Aceh Housing and Settlement Agency is still disregarded sometimes happens in bustle out of working hours so that targeted performance achievement is ignored for substantial tasks (because there is fundamental internal task thus the external task is neglected), so preparation time is delayed and ignored in accomplishing the target.

Based on above description, it can be seen that besides inhibiting factors, there are supporting factors with adequate availability of disciplines adequate technicians so that achievement of transparency and accountability in Aceh Housing and Settlement Agency can be realized fully in the future. This is in accordance with previous research conducted by Riharjo (2015) that measurement of performance is reviewed from economic level indicating that performance level should be more economical based on realization so that change in performance is reviewed from effectiveness level and shows achieved performance. In the future, it is expected that there is no matter about performance transparency to maintain existence of transparency and accountability.

#### **CONCLUSIONS**

1. Implementation of transparency and performance accountability in Aceh Housing and Settlement Agency has not been fully implemented since there are still many employees not fully understood and implemented proper principles of transparency and accountability.
2. Mechanisms and stages composition of LAKIP at Aceh Housing and Settlement Agency have been done completely based on Renja, Renstra SKPA guided by RPJM thus good performance

achievement and in accordance with expected success rate of Aceh Housing and Settlement Agency that has been arranged in a LAKIP report as a manifestation of 2016 achieved results.

3. LAKIP has been used as a transparency and performance accountability report in Aceh Housing and Settlement Agency. It is an achievement and evaluation performance of various work programs thus transparency and accountability will be improved in next periods.
4. Capacity of Aceh Housing and Settlement Agency in implementing transparency and accountability performance in accordance with LAKIP composition which has been charged to the institution so that its implementation is still in accordance with prevailing regulations and regulations, it can be seen from results contained in 2016 LAKIP with ENOUGH category.
5. Supporting factor is availability of technicians or disciplines in Aceh Housing and Settlement Agency. Generally, performance achievement in Aceh Housing and Settlement Agency has shown success in realizing vision, mission, and objectives contained in the RPJMD in accordance with Renstra 2012-2017.
6. Threatening factor is lack of employees' understanding about transparency and accountability in Aceh Housing and Settlement Agency. Sometimes, socialization is ignored because of sufficient information and proper comprehension. Employees of Aceh Housing and Settlement Agency have lack of discipline so sometimes sometimes ignored and late performance resulting in delay target completion.

#### **REFERENCES**

1. Akbar, Risdi., Pilcher, Robyn. & Perrin, Brian. (2012). Performance Measurement In Indonesia: The Case of Local Governance, Pacific Accounting Review, 24 (3) PP.262-291.
2. Bandur, & Kurniawan, S. (2014). Introduction about NVIVO Software-BINUS UNIVERSITY, November 2015.
3. Dulbert, T.B. (2007). Analysis of Leadership Style Factor and Performance Ethics Factors on Employees in Organizations that Have Established University of Berlin Thesis.
4. Halim, A., & Kusufi. M.S. (2014). Public Sector Accountability, 2nd Edition. Jakarta: Salemba Four.
5. Hari. (2007). *Transparency and Public Accountability*, Jakarta: Kencana Persada Media Group.
6. Hasan, B. (2014). Using Qualitative Research In Accounting And Management Studies: Not Anew Agenda. *International Conference on Global Trends Academic Research Journal*, June 2 (3), 305-312.
7. Kondo, S. (2002). "Fostering Dialogue to Strengthen Good Governance", In Organization for

- Economic Cooperation and Development (OECD) (Eds), *Public Sector Transparency and Accountability: Making it Happen*, OECD, Washington, Dc, pp.7-12.
8. Miriam, . (1998). *Achieving Independency for Citizen*. Bandung: Mizan.
  9. Mudjia, R. (2010). *Learn More About Case Studies*.
  10. Performance Accountability Report of Government Agencies (LAKIP). (2016). Department of Housing and Settlement Area of Aceh (PERKIM), Year 2016.
  11. Sadjarja. (2000). *Accountability and Measurement of Government Performance*. Lecturer of Economics Faculty, Accounting Department of Petra Christian University. *Journal of Accounting and Performance*. 2 (2), 138-150.
  12. Scott . (2000). *Accountability In The Regulatory State*. *Journal of Law and Society*, 27 (1), 38-60.
  13. Syukri, A. (2006). *Manifestation of Transparency and Public Accountability through Public Sector Accounting: A Good Governance Facility*. *Journal of Government Accounting*, 2 (1), 1-17.
  14. Uma, S. (2006). *Research Methodology for Business*, *Journal: Salemba Four*. 1-2 (4), Sugiyono. (2014). *Qualitative and Quantitative Research Methods and R & D. Matter* 20. Bandung: Alfabeta.
  15. Wibisino, D. (2006). *Performance Management*, *Publisher: Erland*.