

# Analysis of Value for Money That Influences Public Accountability

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This study aims to analyze value for money, analyze public accountability, and analyze the effect of Value for Money on public accountability. The population is all employees who are in the Bandung Regional Revenue Service (Dispenda). The Samples used convenience sampling. Using descriptive methods, primary data, and secondary data is used in data collection techniques. Based on the results of the study, Value for money and public accountability in the Regional Revenue Service (Dispenda) of Bandung City was good and Value for money had an effect on public accountability.

**Key words:** *Value for money and public accountability.*

## Introduction

The meaning of public accountability is that the mandate holder is obliged to present, account for, disclose and report all activities which he is responsible for. From the government perspective, the meaning of public accountability is to provide information and disclose the government's financial performance to parties interested in financial information, therefore the government must provide transparent, honest and complete financial information.

Financial information in the form of financial statements is a very important element for the government in realizing public accountability. The growing demand for the implementation of public accountability has implications for public sector management to provide information to the public, namely accounting information in the form of financial statements. Accounting information is a tool in effectively carrying out public sector accountability (Mardiasmo, 2009).

Accountability and transparency in government are very necessary, but in most governments, especially in the regions, accountability in the public sector is still relatively low. This was revealed in the 2016 Government Institution Performance Accountability Evaluation Report

in 2016 by the Ministry of Administrative Reform and Bureaucratic Reform. In region one, as many as 172 district / city governments have been evaluated by the Ministry of PAN-RB. With the finding of accountability in the public sector that is still low, improvements are needed, one of which is by encouraging the government to increase its accountability. The effort to increase accountability in the public sector is driven by the use of performance measurement. Performance measurement can be used to assess organizational accountability in improving public services (Mardiasmo, 2002).

Value for Money is the main point of measuring performance in government organizations and is also a concept that can provide information about the use of the budget (funds) spent, and the funds can produce a certain value for the community or not. The application of value for money is recognized as being able to improve public accountability and improve public sector performance (Mardiasmo, 2009). Thus to create good public accountability, performance measurement is needed based on value for money. This is in line with the research conducted by Afriyanti (2015), where there is a strong relationship and it has a significant influence on value for money and, in turn, the quality of public services. The next research, conducted by Abdullah (2018), shows that economics, efficiency, and effectiveness where the three indicators of value for money that had a positive influence on public accountability of the Pohuwoto District Health Office. A good implementation of Value for Money is expected to increase public accountability. The purpose of this study was to analyze value for money, analyze public accountability and analyze the effect of Value for Money on public accountability.

## **Literature Review**

### ***Public accountability***

Public accountability is that the mandate holder is obliged to present, account for, disclose and report all activities, which are his responsibility, to the trustee (Mardiasmo, 2009).

Components in public accountability include:

- 1). process accountability:
  - a. The procedure is obeyed
  - b. Careful, responsive and low-cost public services
- 2). honesty and legal accountability:
  - a. Comply with law
  - b. Corruption is avoided
- 3). policy accountability that is, policies that have been decided must be accountable
- 4). program accountability:
  - a. Give maximum results for a program
  - b. Can account for what has been made

(Mahmudi, 2013)

### ***Value for Money***

Value for money is the main thing in measuring performance in government organizations (Mardiasmo, 2009). Mardiasmo (2009) suggests that components in value for money have 2 indicators consisting of (Hussain et al., 2018):

1). Component of cost allocation which includes efficiency and economy

Efficiency is the use of inputs that are as low as possible (minimum) used to produce the highest output (maximum). The efficiency component explains the relationship between resource input and the output produced. Economics is related to how an organization can minimize the resources used and can reduce expenditures that are not supposed to exist.

Efficiency improvement can be done in four ways, namely:

- a. Output is raised for similar inputs
- b. Output is raised higher than the increase in input
- c. Input is lowered for similar output
- d. Input is lowered than the decrease in output

2). Component of service quality (effectiveness)

Effectiveness is the result achieved with a predetermined goal. Effectiveness is the level of failure and success in achieving a goal in an activity. The greater the contribution of output in achieving a goal, the more effective an activity.

### ***The Use of Value for Money***

According to Mardiasmo (2009), the use of value for money is:

1. The efficiency of public services can increase, which means that the provision of services will be in accordance with the objectives;
2. The quality of public services can increase;
3. Public service costs decrease due to efficiency and saving of inputs;
4. The allocation of spending focusing on public interests can decrease; and
5. Awareness with the use of public money for the sake of public accountability can increase

### **Research Method**

A descriptive method was used in this research. The descriptive method is a method used in analyzing research results but not for use in making conclusions (Sugiyono, 2012).

### ***Population and Research Sample***

All employees in the Regional Revenue Service (Dispenda) of Bandung City are the population in this research. The sampling technique used was convenience sampling, which amounted to 30 employees from each department in the Bandung City Regional Revenue Service, because those people were willing to fill out the questionnaire.

### ***Data Collection Techniques***

Primary data which includes questionnaires and secondary data which includes library research

## **Research Results and Discussion**

### ***Value for Money in the Regional Revenue Service (Dispenda) of Bandung City***

Based on the results of the study, Value for money in the Regional Revenue Service (Dispenda) of the City of Bandung is already good, because there is Value for money components, namely the existence of economy, efficiency and effectiveness, this is in line with the theory of Mardiasmo (2009). The component in value for money consists of 1). Cost allocation component which includes efficiency and economy, and 2). Component of service quality (effectiveness). The results of the questionnaire about Value for money obtained an average of 3.8, which is in the 'good' category. However, the results of the economic component questionnaire regarding the use of organizational costs in accordance with what has been budgeted and can be compared with other similar organizations, has 12 disagreeing answers. This shows that in the Regional Revenue Service (Dispenda), Bandung City is not fully efficient in its use of organizational costs in accordance with what has been budgeted and can be compared with other similar organizations. But overall the economic component is good because it gets an average of 3.6 which is in the 'good' criteria.

### ***Public Accountability in the Regional Revenue Service (Dispenda) of Bandung City***

From the results of the study it can be explained that public accountability in the Bandung City Regional Revenue Service (Dispenda) is good, because there are components of public accountability that include process accountability, honesty and legal accountability, policy accountability and program accountability, according to the theory of Mahmudi (2013). The components of public accountability include: 1) process accountability, 2) honesty and legal accountability, 3) policy accountability, and 4) Program accountability.

Based on the results of the questionnaire, public accountability obtained an average of 4.1 which is in the 'good' category. But from the results of the questionnaire the accountability

component of the policy, regarding the implementation of value for money, has referred to the policies of the regional and central government. As many as 3 people had no clue about value for money implementation. However, overall the component of policy accountability is good because it gets an average of 4.2 which is in the 'good' criteria.

### ***Effect of Value for Money on Public Accountability***

Based on the results of the t test, the t-count value obtained is equal to 3.939, while the t-table is 2.048, which means that t-count 3.939 is greater than t table. Thus it can be concluded that Value for money has an effect on public accountability. The results of the coefficient of determination using SPSS 21 were obtained at 35.6%. 35.6% means that the contribution of value for money to public accountability is 35.6%, where the remaining 64.4% is influenced by other factors. Public accountability can be created; it requires performance measurement based on value for money. Research conducted in accordance with the theory of Mardiasmo (2009), namely the application of value for money, is recognized as being able to improve public accountability and improve the performance of the public sector (Mardiasmo, 2009). This is in line with the research conducted by Afriyanti (2015); that there is a strong relationship with value for money and it has a significant influence on the quality of public services. The next research, conducted by Abdullah (2018), shows that economics, efficiency, and effectiveness where the three indicators of value for money which had a positive influence on public accountability of the Pohuwoto District Health Office.

## **Conclusions and Suggestions**

### ***Conclusion***

Based on the results of the study, it can be concluded that (Saudi et al., 2019):

1. Value for money in the Regional Revenue Service (Dispenda) of the City of Bandung is already 'good', because there is Value for money components, namely the existence of economy, efficiency and effectiveness.
2. Public accountability in the Bandung City Regional Revenue Service (Dispenda) is 'good', because there are components of public accountability that include process accountability, honesty and legal accountability, policy accountability and program accountability
3. Value for money has an effect on public accountability

### **Suggestion**

The advice given as input and improvement is in the use of organizational costs and in accordance with what has been budgeted. This can be compared with other similar organizations (Sinaga et al., 2019).



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