

ANALYSIS DETERMINANT OF FINANCIAL MANAGEMENT PERFORMANCE AT UPT OF MINISTRY OF ENVIRONMENT AND FORESTRY IN NTB

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Abstract

Public finance management reformation requires each government's agency to improve system, procedures, and accountability of public finance management, thus the state's finance can be managed orderly, obedient to laws and regulation, economies, effective, efficient, transparent, and accountable with regard to justice and decency. The aims of this research is to examine empirical evidence about the influence of accountability, transparency, internal control systems, and the human resources competency on financial management performance at the Technic Implementation Unit (UPT) of Ministry of Environment and Forestry (KLHK) in West Nusa Tenggara (NTB). The population of this research is total apparatus involved in financial management process in the UPT KLHK NTB. About 131 people with a total sample of 49 people who was taken obtained by using purposive sampling technique. The collection data method using in this research is questionnaire. Data analysis methods are Partial Least Square (PLS). The results of this research indicate that accountability, transparency and internal control systems have a significant and positive impact on the financial management performance, while human resources competency has positive on financial management performance. The implication of this research is consideration for the working unit in order to improving accountability, transparency, internal control systems and human resource competencies for financial management performance improvement.

Keywords: accountability, transparency, internal control system, human resources competency, financial management performance

1. Introduction

The state financial management reformation obliges every government institution to improve the system, procedures, and financial accountability of the state financial in order to manage it orderly, obedient to laws and regulations, efficient, economical, effective, transparent and accountable with regard to fairness and decency. One of the main requirements to realize a good governance is to apply the principles of accountability and transparency. Werimon (2007) in Susanto et al. (2016) states that the adjustment of the principles of accountability and transparency causes a greater control of the people which ultimately will result in a good performance. The public deserves to know related information about the government's financial for the evaluation (Mardiasmo, 2002). In term of transparency and public participation, every examination report that has been presented to the institution representative is declared open to public, therefore people will have a chance to know the results of the examination (Law 15/2004).

The financial report which receives unqualified proper opinion (WTP) is one indicator of the state finances that have been managed transparently and accountably (Gunawan, 2015). As an organization which manages public funds, the Ministry of Environment and Forestry (KLHK) has to be able to provide public accountability through financial reports. Based on BPK's inspection of the ministries / institutions' financial reports in 2015, the Ministry of Environment and Forestry (KLHK) is one of the ministries that received a qualified opinion (WDP). The Ministry's failure to obtain WTP opinion in 2015 is categorized as a challenge for KLHK to continuously improve its financial management. The stakeholders dissatisfaction to the management of Mount Rinjani National Park (TNGR) which is one of the technical implementation unit (UPT) of the Ministry of Environment and Forests (KLHK) in NTB shows the occurrence of accountability problems. Stakeholders questioned Mount Rinjani's clean up fund management which has been invalid by August 2016, thus starting from September to December 2016 in the end of climbing season, it was reported that the funds to clean Mount Rinjani's area had been dried up which resulted in a huge amount of waste in Mount Rinjani neglected (Lombok Post, 2016). Some results of the previous studies about the effect of accountability and transparency on the performance, such as, several researchs conducted by Taufik and Kemala (2013), Auditya et al.

(2013), Wiguna et al. (2015), Susan et al. (2016), revealed that the accountability and transparency have impacts on performance. Those results were contrary to the results of research conducted by Rahayuni (2013), which revealed that public accountability has no impact on the performance, and results of research Siregar (2011) concluded that public transparency does not significantly influence the management of the local budget.

An effective implementation of the internal control system (SPI) will effectively help the realization of financial management performance as expected. An effective SPI will assure the organization's goal achievement through effective and efficient activities, reliability of financial reporting, the state's assets security, and compliance with laws and regulations (PP.60 / 2008). Azlina and Amelia (2014) state that internal control affects the performance. Based on data related to ministries/institutions' budget spending during the third quarter of 2015, one of the ministries with a low budget absorption level is the Ministry of Environment and Forests (KLHK). By the third quarter of 2015, the KLHK's budget absorption was only amounted to 36.66%. The budget spending up to the third quarter was smaller than the national average absorption figure which was 43.88%, and the target of spending about 60% (KLHK Finance Bureau, 2015). Furthermore, all the technical implementation unit (UPT) KLHK in NTB also could not meet the target of budget up to the third quarter of 2015 about 60%.. One of the effects of the low uptake of the budget until the third quarter is that it causes the accumulation of activities at the end of the fiscal year in order to achieve the target uptake of budget. Internal control system (SPI) can contribute optimally to reduce the possibility of errors and actions that do not comply with the rules so that the financial management process could take place, which could improve the performance of financial management.

In order to realize the state financial management performance that follow the the principles of public finance management, the qualified human resources is necessary to carry out the financial management process. One of the Ministry of Environment and Forestry (KLHK) strategy in order to perform the best performance in financial management is to increase the capacity and competence of human resources (KLHK Finance Bureau, 2015). A competent and competitive Human Resources (HR) is also one of the four pillars of bureaucratic reform. The activities centralization of the organization which commonly occurs in the end of the fiscal year, forces the financial manager to to work well

hence the budget needed to support the implementation of activities can be provided in time therefore it could achieve the budget target absorption. Wansyah, et al. (2012) and Riawan, (2016) state that in the good financial management, government agencies should have qualified the human resources (HR), which are supported by an educational background, participation in education and training, and experiences in finance. Some previous studies examining the influence on the performance of HR competencies, such as research of Arsyati et al. (2008), Safwan et al. (2014), Subadriyah and Rohman (2015), Irwan (2016) which states that the HR Competency has impacts on performance. In contrast to the results of Widyasmiko's (2011) study, it states that the competence does not affect the performance of employees and Arifai and Abrial's study (2013) also states that HR has no significant effect on the financial performance.

According to the phenomena and gap research of the previous study as described before, it could be a motivation for researchers to examine further about accountability, transparency, SPI, and the competence of human resources as factors affecting the performance of financial management. As previously explained, UPT KLHK NTB was one of the picked-test location by BPK for the financial audit KLHK in 2015, which resulted Fair With Exception (WDP) for the financial reports of KLHK. UPT KLHK NTB as a research location, also has not become a research object related to the financial management performance. To analyze the impacts of several variables including accountability, transparency, SPI, and human resource competency on the financial management performance, researchers use an agency theory and goal setting theory approachment. Agency theory in this study explains the society demands of UPT KLHK NTB as an authorized government agency to give their best performance. Goal setting theory will help researchers to explain the performance of the financial management of UPT KLHK NTB based on tasks and functions as well as a commitment to conduct.

Based on the background, it leads to the question as follows: "Do accountability, transparency, internal control systems, and human resource competencies have impacts on the performance of financial management at the Technical Implementation Unit (UPT) KLHK in NTB?". The purpose of this study is to provide empirical evidence about the influence of accountability, transparency, internal control systems, and human resource competencies to the performance of the financial management at the technical implementation unit (UPT) KLHK in NTB.

2. Theoretical Framework And Hypothesis Development

2.1. Agency Theory

Agency theory proposed by Jansen & Mackling (1976) describes the relationship between the principal and agent, in which the principal is the party giving the mandate / authority of the party agents and the obligations of both parties are described in an employment agreement (employment contract) which brings benefit to them. The logical consequence of the employment contract in terms of improving information role efficiency by reducing loss caused by problems such as moral hazard problems and adverse selection that has been made according to the principal of the agent. In the agency theory, accounting management information is used for two purposes. Firstly, it is used for decision-making by the principal and the agent. Secondly, it is used to evaluate and share the results in accordance with employment contracts that have been made and approved (Raharjo, 2007). Agency theory to predict if an agent has better information compared to the principal and there are differences of agents and principals interests, it might cause a principal-agent problem in which the agent will perform actions that bring benefits for themselves but provide drawbacks to the principal (Gudono, 2012: 14).

2.2. Goal Setting Theory

Goal setting theory is a theory proposed by Locke (1968), which emphasizes the importance of the goals set and the performance resulted. The basic concept is the workers' understanding of the organization purposes which could affect its behavior. Specific, high goals lead to a higher level of performance compared to easier and more abstract objectives (Locke and Latham, 2006). The most effective performance might occur when the objectives which are specific and challenging, are used to evaluate the performance and associated with feedback on results, and create commitment and acceptance. The main factor in achieving the goal is self-efficacy. Self-efficacy is a belief in oneself regarding the skills and competencies related to a job (Lunenburg, 2011).

2.3. Conceptual Framework

Public finance management is the overall activities of state financial management officer in accordance with the position and authority, which include planning, implementation, monitoring, and accountability. Public finance management aims for an order management of the state finances,

obedient to laws and regulations, efficient, economical, effective, transparent and accountable with regard to fairness and propriety. The government agency is a public sector organization that aims for the society welfare, therefore the finances management should be based on the laws of the state finances.

Agency theory describes the links between the principal and agent, in which the principal is the party giving the mandate / authority to the party agents and the agents are required to provide accountability to the principal on the mandate / authority given. Principal delegates the responsibility to make decision related to financial management to the agent in which the rights and obligations of both parties are described in a mutual benefitted employment agreement (contract work). Government employment contracts are annually listed in the annual work plan. Society as a principal (in this case represented by DPR) gives the government an authority and responsibility to manage the funds from the public in order to provide services as the community interest to improve their prosperity.

Goal setting theory explains the inter-relationship between determined goals and job performance. The determination of a clear and specific goal will help employees to conduct work sequentially and continuously to create the effectiveness and efficiency of resources. Specific, high (hard???) goals lead to a higher performance level compared to easier and more abstract purposes (Locke and Latham, 2006). To put in other words, this theory states that the objectives which have clear and measurable results are needed to prevent the diffusion of energy organization (Rangan, 2004). Based on goal setting theory, the achievement will increase due to the increase of purpose difficulties as assumed that there is commitments and abilities to execute (Gibson et al., 2003: 259). The successful achievement of organizational objectives must be supported by supervision and qualified human resources. One method of control by the organization is to implement internal control. Internal controls can increase the commitment to achieve the goal. Internal control aims to improve the compliance to laws and regulations, the reliability of the financial statements, as well as the effectiveness and efficiency of operations. Financial management activities can run well, if the organization has qualified human resources supported by educational background, participation in education and training, and experience in finance (Wansyah, et al., 2012 and Riawan, 2016).

Some studies have supported that independent variables (exogenous) influence on the dependent variable (endogenous). This is evident in the results of research conducted by Taufik and Kemala

(2013), Auditya et al. (2013) Azlina and Amelia (2014), Raharjo et al. (2015), Wiguna et al. (2015), Susan et al. (2016), which revealed that the accountability and transparency have effect on performance. Dewi research results, 2012, Azlina and Amelia (2014), Simangungsong (2014), and Permatasari (2014) and the Empress (2015) stated that internal control has a positive effect on performance. The better and effective internal control are implemented, then the performance of the government will also be good. The research result Arsyiati et al. (2008), Safwan et al. (2014), Rafar et al. (2015), Subadriyah and Rohman (2015), Irwan (2016), and Riawan (2016) which states that the effect on the performance quality of human resources. The better quality of human resources in an organization makes the performance will be good. Based on the review of the literature and previous research that has been described previously, the conceptual framework research can be illustrated as follows :

Figure 1. Conceptual Framework

2.4. The Effect Of Accountability On The Financial Management Performance

In order to realize financial management, orderly and accountable in accordance with the law, any government agency shall be accountable for all activities that have been carried out, either financial or

non-financial, to a higher authority (vertical accountability) as well as to the general public (horizontal accountability) (Renyowijoyo, 2012: 14). Government as an agent, which in this case is a technical implementation unit (UPT) KLHK in NTB given the mandate to manage the budget of the Ministry of Environment and Forestry (KLHK) for NTB shall assign responsibility for all activities related to financial management to KLHK that in the center (Jakarta) as a higher authority or to the people. The financial statements as a form of accountability in financial management should present financial information is complete and in accordance with government accounting standards. Based on Goal Setting Theory perspective, an agent must have organizational goals that are specific, clear and measurable so as to be able to give the best performance. Implementation of the various indicators of accountability in the management of public funds will improve the performance of financial management.

H1. *Accountability has positive effect on the financial management performance*

2.5. The Effect Of Accountability On The Financial Management Performance

Transparency is one of the conditions the creation of good governance in which people are given the freedom to gain access to information on governance, information on policy, planning and implementation and the results achieved. Transparency can also be used as the control of the public against state financial management and reduce the occurrence of corruption and policy. Government as an agent must have a more stout information related to the management of funds mandated by the people, so that it becomes an obligation for the government to deliver financial accountability in the form of financial statements in their entirety. The principle of transparency by Werimon et al. (2007: 8) covers two aspects, namely the public communication by the government, and the people's right to access to information. With transparency, the government as an agent is required to have clear objectives and measurable, and is expected to develop extensive communication with the principal (society), related to various things in the context of development with regard to the community. The application of law (15/2004) on the assessment and management of state financial responsibility requires the government to conduct examination report on the transparency of financial statements which have been submitted to the Parliament (DPR) by BPK. The impact of the transparency principle

application is more careful and circumspect in the heart of the government apparatus works that will eventually be able to produce a good performance.

H2. *Transparency has positive effect on the financial management performance*

2.6. The Effect Of Internal Control System On The Financial Management Performance

Arens et al. (2003: 270) states that the internal control system consists of the design of policies and procedures that can be used by management to provide confidence that the organization can achieve the goals and ideals. AICPA (American Institute of Certified Public Accounting) stated that internal control is very important, among others, to provide protection for the entity against human weakness as well as to reduce the possibility of errors and actions that are not in accordance with the rules. Implementation of internal control is good then it will be easier the organization in achieving its goals(Wilopo,2006). Goal setting theory reveals that clear and specific goals that will lead to achievement of better performance. The existence of a clear organizational goals and measurable results needed to prevent the diffusion of energy organization (Rangan, 2004). Based on agency theory, the existence of contractual agreements made between the principal and the agent requires the agent to work under the contract to realize the goals set. SPI will oversee and control so that the objectives set out in the financial management of each process running properly in accordance with the purpose according to applicable regulations. Several previous studies indicate that the implementation of the internal control system has positive influence on the performance conducted by the Goddess (2012), Simangungsong (2014), Permatasari (2014), Azlina and Amelia (2014), Mary et al. (2014), Collins (2014) and Maharani et al. (2015). Thus it can be said that the improvement of the internal control system will improve the financial management performance.

H3. *SPI has a positive effect on the financial management performance*

2.7. The Effect Of Human Resources Competency On The Financial Management Performance

The entire financial management activities can be done well if implemented by the competent financial managers. Gordon (1988) in Sutrisno (2009: 204) suggests that the aspects contained in the concept of competence includes knowledge, understanding, abilities, value, attitude and interest.

Financial managers competency will determine the achievement of financial management objectives. Based on the goal setting theory, the purpose of clarity must contain principles that are measurable, clear and provide a challenge to employees. Specific goals, high leads to a higher performance level than the destination that is easy or vague (Locke and Latham, 2006). To that end, the individual must have a sufficient ability to receive and understand the specific goals, it is difficult in order to achieve results / achievements are better and receive feedback related to performance (Latham, 2003). Based on agency theory perspective, the employment contract between the principal and the agent requires the agent to carry out all the activities stipulated in the employment contract properly. For this reason the agent should have appropriate competence in order to achieve the agreed goals.

H4. *Human resources competency has a positive effect on the financial management performance*

3. Research Method

This research is quantitative research. Based on its level, it can be categorized as explanatory research. The population in this research is 131 people which are all apparatus involved in the financial management at the four technical implementation unit (UPT) of the Ministry of Environment and Forestry (KLHK) in NTB. Sample collecting method used is purposive sampling which is 49 people from management officer of Budget Implementation List (DIPA) that were appointed by the head of each UPT KLHK in NTB based on official decree (SK). DIPA management officers are based on Law No. 1 of 2004 about the state treasury specifically about the state treasury officials. As for the official treasury of DIPA appointed by decree of the leadership work unit consists of: (1) 4 people as The Budget Authority (KPA), (2) 11 people as Committing Officer (PPK), (3) 4 people as Official Testers Bills and Signing SPM, (4) 5 people as Treasurer Expenditure, (6) 2 people as Treasurer Receipts, (7) 4 people as the clerk of business administration Employees Spending (PPABP) and (8) 19 people as staff member of Finance Management.

3.1. Data Collection Technique

The data used in this study are primary data collected using questionnaires. Research questionnaire contains a list of questions prepared in a structured and is closed. Each variable was measured using semantic difference scale. Indriantoro and Supomo (2014: 105) states that the scale of the semantic difference is attitude measurement method using a rating scale of 7 (seven) clause stating verbally two poles (bipolar) extreme judgments. Widoyoko (2014: 118) argues if the respondents who gave ratings with the number 7, means the perception of respondents are very positive about the object in question and if the answer at the number 1, then the perception of respondents were very negative towards the object in question. To determine if the value of the category of the results of the questionnaire, an assessment of the class interval with the formula:

$$\text{Interval Grade} = (\text{highest value in the scale} - \text{lowest score on the scale}) / (\text{Number of classes or categories that are made})$$

The highest value in this study is 7 and the lowest score is the one that comes from the scale of assessment questionnaires and class number is 5, thus obtained class interval = 1.2. Categories and ranges of values for each alternative answers to the questionnaire as a guide for classifying the assessment results can be seen in Table 1.

Table 1. Range of Values and Categories

Variable Categories	Interval				
	$1 \leq x \leq 2,2$	$2,2 < x \leq 3,4$	$3,4 < x \leq 4,6$	$4,6 < x \leq 5,8$	$5,8 < x \leq 7$
accountability	Not good	Less good	Quite good	Good	excellent
transparency	Not good	Less good	Quite good	Good	excellent
SPI	Not good	Less good	Quite good	Good	excellent
Human resources competency	Not good	Less good	Quite good	Good	excellent
Financial management performance	Not good	Less good	Quite good	Good	excellent

3.2. Operational Definitions And Measurement Variable

Exogenous variables

(1) Accountability is the obligation of the technical implementation unit (UPT) of the Ministry of Environment and Forestry (KLHK) to provide serving, reporting, and disclose all activities that are its responsibility related to financial management (DIPA) to the party that has the right and authority to ask those responsible. Indicators used to measure accountability refers to Ellwod (1993) in the

Mahsun (2006: 86) and Rasul (2002: 11) consisting of: 1) legal accountability and honesty, 2) process accountability, 3) program accountability, 4) (policy accountability), 5) financial accountability

(2) Transparency is a principle which guarantees freedom of every person to obtain enough information, accurate and timely information relating to the responsibilities of the Ministry of Environment and Forestry (KLHK) on financial management / DIPA. The principle of transparency is measured by adopting indicators from Krina (2003), Annisaningrum (2010), and Auditya (2013) consisting of: 1) open accountability, 2) accessibility of budget documents, 3) standardization of public services, 4) the accommodation of the aspirations / suggestions folk, 5) accessibility to financial management policies 6) the right to know the results of the audit.

(3) The internal control system is a process that is integral to the actions and activities that are carried out continuously by the management and all employees to provide reasonable assurance for the achievement of organizational goals through effective and efficient, the reliability of financial reporting, the safeguarding of state assets, and compliance with legislation. In this study, the indicators SPI is adopted by Government Regulation No. 60 of 2008 on the Internal Control System of the Government include covering 1) enforcement of integrity and ethical values, 2) leadership conducive 3) delegation of authority and responsibility appropriate, 4) being role internal control apparatus effective government, 5) identification of risk, 6) risk analysis, 7) 'Review of financial statements, 8) control over the management of information systems, 9) physical control over assets, 10)' Review of financial performance indicators, 11) the separation of functions, 12) recording of accurate and timely transactions and events, 13) relevant information has been identified, acquired and distributed to the right people, 14) the establishment of effective internal communication, 15) continued monitoring, 16) separate evaluation.

(4) Human resources competency is the basic characteristics of every financial managers in carrying out their tasks and responsibilities that enable superior performance. The indicators used to measure the competence adopted from Gordon (1988) in Sutrisno (2009: 204) and Wibowo (2007) which includes: 1) knowledge), 2) understanding, 3) skill, 4) value, 5) attitude, 6) interest, 7) motivation, and 8) experience.

Exogenous variables

Financial management performance is the level of achievement of the implementation of a financial management officer (manager DIPA) at UPT NTB KLHK in accordance with the position and authority in realizing the goals, objectives, vision and mission of the organization. Financial management performance measured by indicators of achievement of the implementation of activities in the planning, implementation, supervision, accountability (law 15/2004), which include: 1) planning of programs / activities, 2) budget planning, 3) the implementation of the program, 4) implementation disbursement of funds, 5) the application of the principles of economical, 6) the application of the principles of efficiency, 7) the application of the principle of effectiveness, 8) evaluation activities, 9) the impact of the audit, 10) accountability report monthly, 11) honesty presentation of financial statements, 12) The financial statements referring the regulations.

3.3. Data Analysis Method

Data analysis methods in this research is to use Partial Least Square (PLS) with software Smart PLS 3.0. Word (1985) states that the analysis Partial Least Square (PLS) is a powerful analytical method because it is not based on many assumptions. Evaluation model using PLS is done by assessing the results of measurements of the model (outer model), followed by the evaluation of the structural model (inner model) and significance testing to test the effect of inter-constructs or variables.

Testing measurement model (outer model) conducted by validity and reliability testing. Test the validity includes convergent validity and discriminant validity. A latent constructs assessed as having a good convergent validity if the value of the loading factor of more than 0.7 for studies that are confirmatory and value loading factor between 0.6 - 0.7 for exploratory research that is still acceptable (Ghozali and Latan, 2015: 74). Discriminant validity was assessed by comparing the square root of Average Variance Extracted (AVE) for each construct with the correlation between the constructs in the model. Discriminant validity were well demonstrated on the square root of AVE for each construct is greater than the correlation between the constructs in the model. Recommended AVE value must be greater than 0.50. To measure the reliability tests conducted by using composite reliability with value > 0.7 (Ghozali and Latan, 2015: 75)

Evaluation of structural models (inner model) is done by looking at the value of R square to explain the predictive power of the structural model (Ghozali and Latan, 2015: 78). The hypothesis testing is done by looking at the value estimate for the path coefficient. In this study, the hypothesis could be accepted if it has a value of t statistic in the table of Smart PLS path output coefficient of 3.0 is higher than t-table (1.68) with a confidence level of 95% (alpha 5%).

4. Results

4.1. Characteristics Of Respondents

Based on 41 people (83.68%) of respondents that its data can be processed and analyzed, obtained information on the characteristics of the respondents as follows:

1. In terms of gender, it is known that sex (male and female) of financial managers at Unit KLHK in NTB are not much different, where the male was 22 people (53.66%) and women amounted to 19 people (46.34%). This indicates that both men and women have the same opportunities to become a financial manager at UPT KLHK in NTB. Robbins (2015: 29) revealed no consistent differences between men and women in problem-solving skills, analytical skills, competitive urge, motivation, ability to socialize, or ability to learn.
2. Characteristics of respondents by age showed that respondents who dominate are people aged over 40 years as many as 18 people (43.91%) and respondents aged 31-40 years were 17 (41.46%). This indicates that the respondents were in the age range of productive work.
3. Based on years of service, the majority of respondents have a tenure of more than ten years that is equal to 70.73%. In general, the apparatus has a working lives long enough to have the confidence, work experience, and an understanding of a better job.
4. Based on the level of education, the majority of respondents had undergraduate education level (S1) is as much as 49.78%. Generally, the apparatus with high levels of education are better able to understand the duties and functions as well as learn and understand the rules that are required in carrying out its duties.

4.2. Descriptive Statistics

Tabel 2. Statistics Descriptive

Variabel	N	Min	Max	Mean	Std. Dev
accountability	41	3.6	7	5.82	0.919
transparency	41	1.17	6.67	4.00	1.638
SPI	41	2.44	7	5.53	1.061
Human resources competency	41	3.25	7	5.93	0.951
Financial management performance	41	2.83	7	5.62	1.134

From Table 2 above is known that on average respondents to the accountability and human resources competence variables respectively 5.82 and 5.93. This suggests that these two variables are at intervals of five (excellent), it means that the basic characteristics of every financial manager in carrying out its duties and responsibilities very well and can give responsibility, serving, reporting, and disclose all activities and events responsibility related to financial management (DIPA) to the side that has the right and authority to hold very well. On average respondents to the variable transparency is the third interval (quite good) with 4.00. This illustrates that transparency in financial management on UPT KLHK in NTB have been implemented. On average respondents to the financial management performance variables that are in the fourth interval (good) with a value of 4.62. This indicates that the level of achievement of the implementation of a financial management officer (manager DIPA) at UPT NTB KLHK in accordance with the position and authority in realizing the goals, objectives, vision and mission of the organization in a good level.

4.3. Evaluation Of Measurement Model (Outer Model)

Based on the data results is performed using the Smart PLS 3.0, obtained the following results:

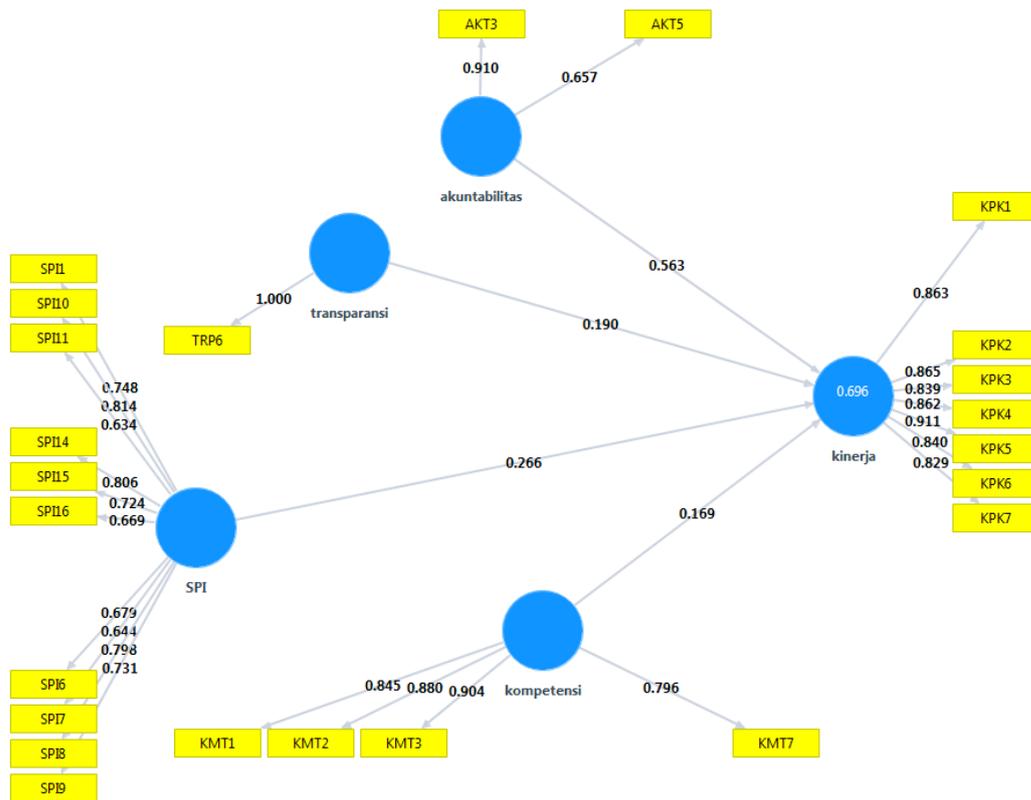


Figure 2. Path Diagram

Table 3. Values AVE Square Roots and Correlation among Constructs in Model

	accountability	transparency	SPI	competency	performance
accountability	0.793				
transparency	0.057	1.000			
SPI	0.515	-0.048	0.728		
competency	0.229	-0.156	0.546	0.857	
performance	0.749	0.183	0.639	0.413	0.859

Table 4. Values AVE dan Composite Reliability

	AVE	Composite Reliability
accountability	0.630	0.768
transparency	1.000	1.000
SPI	0.529	0.918
competency	0.734	0.917
performance	0.738	0.952

Based on Figure 2 (path diagram) can be seen that the indicators on each variable has had a value loading factor > 0.6. Value square root of AVE for each construct is also greater than the correlation value constructs in the model (see table 3) and the AVE's value of each variable > 0.5. So is the composite reliability's value of each variable > 0.7 (see table 4). Thus it can be said that all the variables have to qualify the validity and reliability of the model (already valid and reliable).

4.4. Evaluation Of Structural Model (Inner Model)

Structural model testing done by looking at the value of R square endogenous construct the bootstrapping process. R square value management performance variables are shown in Table 5:

Table 5. The value of R square

	R square
Financial Management Performance	0.696

Based on Table 5, note that the value of R square is equal to 0696. It is revealed that the variables of accountability, transparency, internal control systems, and human resource competencies can explain the variable of financial management performance by 69.6%, while 30.4% is explained by other variables outside the research.

To test hypotheses, can be done by looking at the value of the path coefficient. Here is presented the results of hypothesis testing in Table 6:

Table 6. Summary of Hypothesis Testing

Hipotesis	Coefficient	T Statistic	T Tabel	Conclusion
H ₁ : Accountability positive effect on the financial management performance	0.563	5.197	1.68	H ₁ accepted
H ₂ : Transparency positive effect on the financial management performance	0.190	2.554	1.68	H ₂ accepted
H ₃ : SPI positive effect on the financial management performance	0.266	2.180	1.68	H ₃ accepted
H ₄ : Human resources competency positive effect on the financial management performance	0.169	1.526	1.68	H ₄ rejected

Thus, structural equation models (inner model) is generated that is

$$KPK = 0.563 AKT + 0.190 TRP + 0.266 SPI + 0.169 KMT + \zeta$$

4.5. The Effect Of Accountability On The Financial Management Performance

Based on Table 6 is known that for the analysis of the test the first hypothesis which states that the accountability has positive effect on financial management performance show test results positive correlation coefficient of 0.563 parameter with the value of the t statistic $5.197 > 1.68$ (t-table) with alpha 5%, which means that accountability positive and significant effect on the financial management performance (H1 accepted). The results of the data analysis found that the program accountability and

financial accountability that shape public accountability has been able to influence the financial management performance. Program / activity and budget designed has been considered to achieve the target / objectives set by the organization. The financial statements as a form of accountability related to financial management presented financial information in full as portraiture economic event agencies during the period. This is consistent with the goal setting theory and agency theory which states that the organization has clear objectives and measurable for programs designed organization is a program that supports the strategy for achieving the vision, mission, and goals of the organization as well as financial statements have been presented accountable with both the party entitled to ask for accountability. The results are consistent with Taufik and Kemala (2013), Auditya et al. (2013) Azlina and Amelia (2014), Raharjo et al. (2015), Wiguna et al. (2015), Susan et al. (2016) which shows that accountability has positive effect on performance.

4.6. The Effect Of Transparency On The Financial Management Performance

The test results parameter coefficient values showed a positive association with a value of 0.190 t statistic $2.554 > 1.68$ (t-table) with alpha 5%, which means that transparency positive and significant effect on the financial management performance (H2 accepted). That is, the better the transparency, the financial management performance will also increase. The results support the agency theory that revealed that an agent in providing accountability, serving, reporting, and disclose all activities and activities that are its responsibility to the grantor trustee (principal) must contain the principle that the information provided must be honest, adequate, accurate, and precise time. Society has a right to know the results of the audit related to financial management. The results also support the goal setting theory, with the clarity in planning the use of funds that will allow community organizations to assess the suitability of planning and realization. Some of the results of previous studies that support this research include Wiguna et al. (2015), Rafar et al. (2015), and Susan et al. (2016), which revealed that the transparency effect on performance.

4.7. The Effect Of Internal Control System On The Financial Management Performance

The test results parameter coefficient values showed a positive association with a value of 0.266 t statistic $2.180 > 1.68$ (t-table) with alpha 5%, which means that the internal control system (SPI) positive and significant impact on the financial management performance so that the third hypothesis is accepted. Results of the study revealed that the elements of internal control consists of enforcement of integrity and ethical values, risk analysis, the Review financial statements, control over the management of information systems, physical control and assets, the review indicator of financial performance, establishment of internal communication effective, ongoing monitoring and evaluations have been carried out continuously in the organization. The results support the theory that states their agency contract agreement made principal and agent requires the agent to work in accordance with its intended purpose. Implementation of internal control is one way to provide assurance to the agent that the objectives of the organization are contained in the employment contract will be executed properly. Internal controls are implemented well will provide protection for the entity against human weakness as well as to reduce the possibility of errors and actions that are not in accordance with the rules. The necessity for organizations to determine the clarity of organizational goals and measurable results in accordance with goal setting theory. SPI aims to oversee and control so organizational objectives set out in any financial management process goes well in accordance with applicable regulations. The results are consistent with the results of research that has been done before, including Goddess (2012), Simangungsong (2014), Permatasari (2014), Azlina and Amelia (2014), Mary et al. (2014), Collins (2014) and Maharani et al. (2015) which states that implementation of the internal control system has a positive effect on performance.

4.8. The Effect Of Human Resources Competency On The Financial Management Performance

The test results show the parameter coefficient value of 0.169 positive correlation with statistical value $1.526 < 1.68$ (t-table) with alpha 5%, which means that the human resources competence has no significant effect on the financial management performance so that the fourth hypothesis fails to be accepted. This can happen because the financial manager have not been able to optimize of its competence. This high performance is influenced by two factors, individual and environmental factors

(Byar and Rue, 1984 in Sutrisno, 2009: 151). Thus it can be said that the competence of financial management is very good, but if it is not supported by the environmental factors will not be able to deliver the performance optimal. Environmental factors that support human resources to improve its performance among other physical conditions, equipment, time, materials, education, supervision, organization design, training, and luck (Sutrisno, 2009: 151-152). The presence of some of the financial management who have other jobs outside of finance resulted more responsibility for their work that resulted in the accumulation of activities especially at the end of the fiscal year. Excessive workload can cause deterioration of physical condition and pressure that may impede the achievement of the goals set. Every person who has excessive workloads, tend to not have enough time finish the job. People with work overload will cause insomnia, irritability, increased errors, and indecisive (Gibson et al., 2003: 346-348). In addition, employee performance improvement can be done by granting rewards. Verbeeten (2007) revealed that employees tend to try to improve the performance in hopes of getting returns corresponding individual targets and incentives play a fundamental role in motivating and monitoring performance because the individual has a utility for increased wealth. This study therefore has not been successful in supporting the agency theory reveals that the employment contract between the principal and the agent requires the agent to carry out all the activities stipulated in the contract of employment with a good and goal setting theory that states difficult goals will be achieved when an individual has self-efficacy tall one. Self-efficacy is the belief in a person associated with the skills and competencies related to a job (Lunenborg, 2011). Someone who has high self-efficacy are more likely to develop an effective strategy tasks which eventually lead to the performance (Locke and Latham, 2006). The results of previous studies are consistent with the results of the fourth hypothesis testing are the result of research Widyasmoko (2011), Arifai and Abrar (2013) where the results of the study revealed that the factor of human resources (HR) has no significant effect on the financial performance. These results differ from the results of research conducted by Arsyiati et al. (2008), Safwan et al. (2014), Rafar et al. (2015), Subadriyah and Rohman (2015), Irwan (2015) and Riawan (2016) states that HR competencies have a significant effect on performance.

5. Conclusion, Implication And Limitation

5.1. Conclusion

Based on the analysis that has been done, it can be concluded that the accountability, transparency and internal control systems have a significant effect on the financial management performance at the Technical Implementation Unit (UPT) of the Ministry of Environment and Forestry (KLHK) in NTB. Its mean that the higher the accountability, transparency, and SPI will improve the financial management performance. While human resources competencies has no significant effect on the financial management performance. This means that the financial manager competencies that exist in organizations have not been able to significantly improve the financial management performance.

5.2. Implication

Theoretically, the implications of the findings of this study can be used as a reference for research in the field of public sector accounting in particular related to financial management in the Ministry / Agency and can explain the use of agency theory and goal setting theory in relation to the financial management performance and can be used. In practical results of this study to provide an overview and information on the implementation of accountability, transparency, SPI, and human resources competencies in influencing the financial management performance at UPT KLHK in NTB. Human resources competencies of financial operators that exist on UPT KLHK in NTB was not yet able to improve the financial management performance so that the leadership of each UPT shall strive and create specific strategies, especially with regard to support for environmental factors to optimize the role of human resources in the performance improvement of financial management, In terms of policy, this research can be used as a material consideration that there are decision makers in organizations in policy decisions about the procedures for determining the treasury officials.

5.3. Limitation And Suggestion

Limitations of this study include, first, the scope and number of samples limited research that is only on the technical implementation unit (UPT) of the Ministry of Environment and Forests in NTB

with a sample of the official manager of DIPA to generalize the findings can not be applied to the work units in other ministries , Second, variables affecting the financial management performance only seen from just four exogenous variable that is accountability, transparency, SPI, and HR competencies so as not to explore other variables that theoretically affect the performance of financial management. Third, this study uses the method of charging keusioner in data collection so the first order of analysis of information obtained is limited.

For further research, it can extend the object of research for example UPT KLHK in Bali and NTB by increasing the number of samples that outside financial managers implementing such DIPA procurement officials and recipients of government goods and services. Subsequent research can also add the study variables such as organizational commitment and reward as exogenous variables that affect the performance of financial management. Subsequent research in order to use a questionnaire with a second analysis approach or third order, so that the latent variables can be examined through the dimensions and indicators in more detail.

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