

The Influence of Budget Participation, Budget Goals Clarity and Internal Control Systems Implementation on Local Government Performance

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Abstract: This study aims to examine the influence of budget participation, clarity of budget goals, and internal control systems on the performance of local government. This research was conducted on 31 regional work units in Karawang Regency. The study used a verification method with a quantitative approach. Data was collected through questionnaires instrument. The study employed path analysis. The results indicate that budget participation, budget goals clarity and the internal control system implementation simultaneously have a positive influence on the Government of Karawang Regency performance with the contribution of the influence that is equal to 73.4%. Partially, budgetary participation has a positive effect with a contribution of 24.3% influence, budget goals clarity has a positive effect on the contribution of the influence of 20.3%, and the control system implementation has a positive effect on the contribution of the influence of 28.8% on the Government of Karawang Regency.

Keywords: *Budget participation, Budget goals clarity, Internal control systems Implementation, Local government performance*

Introduction

The community is now starting to highlight the performance of government for services carried out by the government to the public. The assessment of the government's public services began to be questioned by the public so that the government must make every effort to improve the performance of the government in order to gain trust from the community by providing satisfactory services to the community (Fauzan R. H., 2017).

Sometimes performance does not work optimally due to the budget performance that has not been carried out optimally. Budget performance only looks at the aspect of budget planning and budget realization without seeing the outcomes that will benefit the community on an ongoing basis (Negara, 2018). The existence of differences in interests raises agency problems between the government as agents and the community as principals. Based on these problems, agency theory is

the theory underlying the government in preparing performance accountability reports (Halim, 2006). It is needed because the community has the right and authority to obtain information about activities carried out by the government that must be accounted for, presented, reported, and disclosed. The existence of opportunistic behavior occurs because agents have the advantage of information about finance that will be taken into consideration in conducting budgeting rather than principals that allows only to use personal interests (self-interest) because they have power (Latifah, 2010).

Preparation of budget goals must be clear and not confusing budget implementers in carrying out government activities, and realization of the prepared budget is expected to reach the goals so that it will have an impact on performance appraisal. In preparing a budget, it is, of course, necessary to involve the parties to participate in the preparation of the budget so that budget preparation can be targeted and in accordance with the provisions based on the strategic plan, Regional Medium-Term Development Plan (RPJMD), Key Performance Indicators (IKU) and other documents as reference in budgeting based on the strategic objectives to be achieved.

Internal control is carried out on all government activities carried out to avoid fraud and supervise and direct every activity carried out by the government to be effective and efficient use of resources. Internal control also has an important role in motivating employees to achieve organizational goals. With the existence of internal control, each program/activity can run as expected and will have implications for the performance of employees and the government as a whole, which is better. (Ministry of Industry, 2011).

Based on the evaluation results of the Government Agency Performance Accountability System (SAKIP) which summarizes the performance of government agencies for all activities that

have been carried out based on the objectives formulated at the Government of Regency/City level in West Java Province, in the Government of Karawang Regency only obtained SAKIP evaluation value of 54.74 and fall into the CC category. According to the interpretation by Regulation of the Minister of Administrative Reform and Bureaucratic Reform No. 12 of 2015 concerning Guidelines for Evaluation of Government Agency Performance Accountability Systems, for the CC category it is meant that the implementation of performance accountability systems and government bureaucracy in the Government of Karawang Regency is quite good, accountability for performance results good enough, and requires improvement but not basic. If a comparison is made with the value of the results of the SAKIP evaluation from 2015 - 2017, in 2017, the results of the evaluation of SAKIP Karawang Regency have increased but not too significant. This indicates that the Karawang regency government began to improve itself by improving the quality of services and welfare by the wishes and needs of the community.

In terms of budget realization, in 2016-2018, the absorption of the budget has reached a percentage of more than 80% but has not been absorbed as a whole, namely 100%. Based on the results of interviews with the Regional Financial and Asset Management Agency (BPKAD) of Karawang Regency Government, this was caused by several factors which consisted of 1) There was a delay in auction or there was a failure in conducting the auction process in the procurement of goods and services; 2) The activities carried out more than one year and the budget determined in accordance with the stipulated plan; 3) Activities between planning and implementing budgets that are missed or not implemented; 4) Regulations from the center related to the implementation of the late budget and unclear rules create concerns from the implementers when

implementing programs / activities; 5) Many programs and activities are carried out at the end of the year; 6) Planning and control of under-budget.

The internal control system in terms of preparing the financial statements of the Karawang Regency Government in 2017 has been carried out very well as indicated by the acquisition of the audit opinion with the title of Unqualified Opinion (WTP) but in terms of government administration in providing services to the public it has not produced satisfactory results. Based on Regent Regulation Number 1 of 2017 concerning Government Oversight Policy states that the implementation of government activities has not been effective and efficient and has not been following laws and regulations. In the Government Agency Performance Accountability Report (LAKIP), the Karawang Regency Government in 2017, strategic issues that affect the performance of Karawang Regency Government consist of programs and activities that have not been effective and efficient and according to regulations, the quality of public services that are not optimal for the availability of facilities and lack of professional infrastructure and human resources. It can be said that the government's internal control is still not optimal or unsatisfactory.

Based on the above phenomena related to performance in Karawang district government and the results of previous studies, the authors are interested in researching the influence of budget participation, budget goals clarity and internal control systems implementation on local government performance (case study on regional working units in Government of Karawang Regency).

Literature Reviews and Hypothesis Development

The theoretical foundation used to discuss this research is agency theory.

Agency theory is the theory that underlies the government in preparing performance accountability reports. It is needed because the community has the right and authority to obtain information about activities carried out by the government that must be accounted for, presented, reported, and disclosed. According to Shulthoni (2017), in the process of drafting and changing regional budgets, there are two perspectives in agency theory, namely the relationship between the executive and the legislature within the scope of government, and between the government and the community.

The first perspective in agency theory connects executive institutions as agents and legislative bodies as principals. The agency problem that can occur in this perspective is that the legislature has the power advantage (discretionary power) tends to maximize "self-interest" in the preparation or budgeting so that it will lead to opportunistic behavior by doing "budgetary slack." It is done so that the legislature can secure its position and reflect good performance to the executive and the community in government or for political interests in the next period. For legislators who have superiority in information tend to do "shadow contracts" for their interests in the long term and to establish continuity and make the name of the executive proud.

The second perspective in agency theory connects people as principals and governments as agents. The government, as an agent, should defend the interests of the people and try to improve the welfare of the community. However, this is unlikely to occur due to unclear rules regarding the consequences of decision control or "abdication" and "self-interest" which will result in political corruption in the preparation of administration and administration corruption in the implementation of the budget. According to Lupia and McCubbins (2000) in Halim and Abdullah (2006), abdication is a condition

where agents are not limited by the rules of how their actions affect the interests of principals. This happens because the community is characterized as a party that has concern and desires that are less in influencing the elected legislature while the legislature is characterized by parties who do not have the time and knowledge to know all public needs. This is reflected in the practice of Collusion, Corruption, and Nepotism (KKN) in an increasingly governmental environment and the delivery of services that are less than optimal.

Performance of Government

The performance definition of government agencies according to Minister of Administrative Reform and Bureaucratic Reform Regulation No. 9 of 2007 is the achievement of the goals and strategies that have been planned and prepared by the government regarding the success or failure of programs and activities organized by the government.

The objectives of measuring or evaluating performance (Mardiasmo, 2009), are: 1) Providing an understanding of the measurement and assessment of performance used; 2) The targets that have been formulated are expected to be achieved; 3) Comparison between realization and targets regarding performance achievements must always be monitored and evaluated in an effort to improve the quality of performance; 4) As a tool to motivate employees and provide rewards and punishments for the performance achieved; 5) To improve communication between leaders and subordinates; 6) Helping in fulfilling customer satisfaction; 7) The process of activities of government agencies can be understood through performance measurement; 8) Performance measurement can help in making a decision objectively.

Budget Participation and Performance of Government

Budget participation is the responsibility of a manager involved in budgeting and its influence on budget goals in an organization (Kenis, 1979). In budget participation, there are two different understandings about who participates in budget preparation and determination. The first understanding states that participatory budgeting involves the community in preparing budgets as a form of democratization and accountability (Wampler, 2007). While the other understanding, according to (Kenis, 1979) states that budget participation involves government officials in preparing budgets in accordance with the main tasks and functions in the government. This is due to the different needs and preferences of each other and the diversity in the types of services that are given and prioritized in development planning that is planned and budgeted annually.

Siegel and Marcony (1989) in Kewo (2017) states that budget participation has several benefits, namely: 1) can reduce a person's pressure in making a budget; 2) can strengthen relations and cooperation between members in a group to achieve goals; 3) can reduce unfairness between parts of an organization in allocating resources.

The results of Kewo's study (2014) concluded that participatory budgeting affected the managerial performance of local governments. Gul, et al (1995) stated that in high participation budgeting has a positive effect on the performance of organizations that implement decentralization. Abata and Mathew (2014) state that there is a positive but weak relationship between participatory and managerial performance in Nigeria. Furthermore, Owusu, et al (2014) in his study concluded that budgetary participation has a positive effect on employee performance. Nasser et al (2011) that the characteristics of the budget

(participatory budgeting) influence the performance of the department. Brownell, Peter (1982) concludes that there is a positive influence between managerial participation and performance and motivation as an intervening variable. Then Kennis, Izzetin (1979) gave a conclusion in his research that budget participation states that budget participation has a positive effect on managerial performance.

Hypothesis 1: *Budget participation has a positive effect on the performance of government agencies.*

Budget Clarity and Performance of Government

According to Kenis (1979) in Putra (2013), the budget goals clarity is the budget goals that have been formulated and compiled in detail and clearly and can be easily understood by the authorities to find out information about the budget following the objectives to be achieved. The budget goals clarity aims to provide information about budget targets clearly and in detail so that they are easily understood by budget implementers.

To find out the purpose of the budget goals clarity within the scope of the local government, the Local Revenue and Expenditure Budget (APBD) is a document prepared to describe general directions and policies and provide information about the expected goals and objectives in a particular, fiscal year. There are five criteria in knowing the purpose of the budget target goals clarity in the APBD (Abdullah A. H., (2003) in Bulan (2011)), namely: specific, measurable, following reality and used as a challenge, results-oriented, have a time limit.

Various studies on the effect of budget clarity on organizational performance have been carried out, the results show that the clarity of budget goals has an influence on organizational performance ((Kennis and Izzetin (1979);

Rizky Darmawan (2016); Nur Atika Aini (2015); Cecilia Lelly Kewo (2014) (Nasser et al. (2011)). Furthermore, Chong M. Lau (2011) conducted a study of clear targets by giving the conclusion that measurement of performance uses non-financial measures that give results that clear targets can improve employee performance. Research conducted by Edipson Bayer Silalahi (2017) concluded that the clarity of the budget target did not affect the accountability of the performance of the Serdang Bedagai Regency Government Agency. Furthermore, Chong M. Lau's (2011) research shows that non-financial measures significantly affect managerial performance through role clarity, and this research also indicates that the effect of nonfinancial measures on role clarity is substantially stronger than that through financial measures. On the contrary, the research conducted by Edipson Bayer Silalahi (2017) concluded that the clarity of the budget target did not affect the accountability of the performance of the Serdang Bedagai Regency Government Agency.

Hypothesis 2: *Budget goals clarity has a positive effect on the performance of government agencies.*

Internal Control System Implementation and Performance of Government

According to the COSO (Committee of Sponsoring Organization Treadway Commission) in Reding (2013), internal control is the design for conducting control activities compiled by all ranks in the company that formulate the objectives that can be achieved and all company activities must comply with regulations following statutory regulations applicable laws. The purpose of implementing an internal control system in the government environment according to Mardiasmo (2011), namely: 1) Maintaining security of state assets; 2) Accounting information is tested and examined carefully; 3)

Efficiency of operational costs can be increased; 4) Management policies that have been determined can be maintained properly.

Various studies on the effect of the implementation of the internal control system on performance have been carried out, the results show that the implementation of the internal control system has a positive effect on performance (Erica Magdalena (2014), Taufan Dharmawan (2016), Rizky Darmawan (2016), Cecilia Lelly Kewo (2014)). Then the research of Edipson Bayer Silalahi (2017) concluded that internal control has a positive effect on the performance accountability of government agencies. Furthermore, the research of Hoitash et al. (2009) concluded that good governance affects internal control and reasonable internal control will improve performance better.

Hypothesis 3: *The internal control system implementation has a positive effect on the performance of government agencies.*

Research methodology

The research method used is descriptive and verification with a quantitative approach. The unit of analysis in this study is the 32 SKPD in the Government of Karawang Regency. The sampling method used is a saturated sample where the number of samples is equal to the number of population, which is 32 SKPD. Data and information collection was carried out with field studies through questionnaires and literature studies. Questionnaires, namely as a research tool distributed to employees who work in each SKPD in Government of Karawang Regency as many as 93 questionnaires with a total of 65 questions and 93 public service users provided by each SKPD in Government of Karawang Regency with a total of 23 questions. The scale used in this study is an ordinal scale. Data obtained

from questionnaires is confirmed to use validity and reliability tests that are converted into interval data using the Successive of Internal (MSI) Method. Validity test uses the Pearson Product Moment Correlation Coefficient, while the reliability test uses Cronbach alpha. To test the hypothesis, the author uses path analysis (Path Analysis) with the level of significance used is 5%. Path analysis model:

$$Y = \rho_{yx1}X1 + \rho_{yx2}X2 + \rho_{yx3}X3 + \varepsilon$$

The classic assumption test used is only the normality test. The normality test aims to test whether the data to be used in the regression model is normally distributed or not. The normality test needs to be done because all parametric statistical calculations have an assumption of normality (Ghozali, 2016). The normality test can be done using the Kolmogorov-Smirnov (K-S) test with the criteria if $\sum < 0.05$ means that the data is not normally distributed.

Results and Discussion

Data obtained from questionnaires that have been distributed, analyzed through statistical analysis. This study intends to analyze the effect of budget participation, budget goals clarity, and internal control systems implementation on the performance of local government agencies. The sample used in the study was the same as the total population of 32 SKPD, researchers only managed to collect questionnaires from 31 SKPD (control level 96.875%). This was caused by an SKPD that was not prepared to research the grounds that the Memorandum of Understandings (MOU) had not been extended between the SKPD and the university. This is recognized as a limitation of the research.

There were 186 respondents in 31 SKPD of Government of Kabupaten

Karawang consisting of 93 respondents who worked at SKPD, and 93 respondents from users of public services using office/service facilities.

Descriptive Statistics

To be able to find out how respondents respond to each statement or research

variable as a whole, it is necessary to do a descriptive analysis. In this study, the descriptive analysis will be presented using the percentage of the actual score (total score) against the ideal. To give an interpretation of the value of the percentage score obtained, the researcher categorizes it with the following criteria:

Table 1. Guidelines for Respondents Categorization

No.	Score Amount Percentage	Criterion
1	20,0% - 36,0%	Fail
2	36,1% - 52,0%	Poor
3	52,1% - 68,0%	Fair
4	68,1% - 84,0%	Good
5	84,1% - 100,0%	Very Good

Recapitulation of responses of respondents as a whole related to budget participation, the percentage score of 86.5% is in the percentage range between 84.1% - 100% and categorized very well. Thus it can be concluded that budgetary participation in SKPD in Government of Karawang Regency has been implemented very well. Recapitulation of respondents' responses related to budget goal clarity percentage score obtained at 85.1% is in the percentage range between 84.1% -100% and categorized very clearly. Thus it can be concluded that the clarity of the budget target in SKPD in Government of Karawang Regency is quite clear. Recapitulation of respondents' responses as a whole related to the internal control system score percentage of 83.2% is in the percentage range between 68.1% -84% and categorized well. Thus it can be concluded that the internal control system at SKPD in Government of Karawang Regency has been well implemented. Respondents' Response Regarding the Performance of Local Government Agencies. Recapitulation of respondents' responses as a whole is related to the performance of local government agencies, the value of the score percentage of 79.3% is in the percentage range between 68.1% -84% and

categorized well. Thus it can be concluded that SKPD in Government of Karawang Regency has a good performance.

Based on the results of the descriptive analysis of respondents' responses from 31 SKPD studied showed that budget participation, clarity of budget targets, internal control systems, and performance of local government agencies were carried out well. Variables that scored the highest among the other variables were budget participation variables, but there were several dimensions that must get special attention from the local government. These dimensions are the customer's perspective, which consists of tangibility, reliability, responsiveness, assurance, and empathy, as well as a financial perspective consisting of economical, efficient, and effective. If the problems regarding the dimensions that have not reached optimal are resolved immediately, then the implementation of the performance of local government agencies in all SKPD will run very well

Validity and Reliability

All questions on the questionnaire are valid because the validity coefficient is

more than 0.3 and all variables have a Cronbach's alpha coefficient of more than 0.6 so that it can be ascertained to be valid and reliable which can be used in other statistical analyses.

Normality Test

In this study, the statistical test used to test the normality of data is Kolmogorov-

Smirnov on the basis of decision making if the value of Asymp. Sig > 0.05 (α), Referring to the decision-making criteria of the normality test, it is known that all variables involved in the path analysis model have data that are normally distributed due to the value of Asymp. The resulting Sig is far greater than 0.05, with each Asymp value. Sig X1 = 0.851; X2 = 0.850; X3 = 0.827; Y = 0.870.

Table 2. Data Normality Test

One-Sample Kolmogorov-Smirnov Test

		(X1)	(X2)	(X3)	(Y)
N		31	31	31	31
Normal Parameters ^{a,b}	Mean	15,9367	18,3978	43,3495	175,8400
	Std. Deviation	3,89676	4,18555	8,34879	34,44808
Most Extreme Differences	Absolute	,109	,110	,113	,107
	Positive	,109	,109	,113	,107
	Negative	-,090	-,110	-,070	-,081
Kolmogorov-Smirnov Z		,610	,610	,627	,596
Asymp. Sig. (2-tailed)		,851	,850	,827	,870

- a. Test distribution is Normal.
- b. Calculated from data.

Correlation Coefficient

The first step in path analysis is to calculate the correlation (r) between exogenous variables (independent) and

endogenous variables (dependent) to know the relationship between the variables involved in the model. The test results are presented in the following table:

Table 3. Correlation Coefficient

		(X1)	(X1)	(X1)	(Y)
Budget Participation (X1)	Pearson Correlation	1	.645	.637	.761
	Sig. (2-tailed)		.000	.001	.002
	N	31	31	31	31
Budget Goals Clarity (X2)	Pearson Correlation	.645	1	.461	.684
	Sig. (2-tailed)	.000		.009	.000
	N	31	31	31	31
Internal Control System Implementation (X3)	Pearson Correlation	.637	.461	1	.733
	Sig. (2-tailed)	.000	.009		.000
	N	31	31	31	31
Performance of Local Government (Y)	Pearson Correlation	.761	.684	.733	1
	Sig. (2-tailed)	.000	.000	.000	
	N	31	31	31	31

Based on the table above, the correlation coefficient between budget participation (X₁) and the performance of

regional government agencies (Y) is 0.761 and categorized into strong relationships (correlation interval 0.60-0.79). Thus it can

be concluded that there is a strong relationship between budgetary participation and the performance of regional government agencies; The correlation coefficient between budget target clarity (X₂) and the performance of local government agencies (Y) is 0.684 and categorized into strong relationships (correlation interval 0.6-0.79). Thus it can be concluded that there is a strong relationship between the clarity of the budget target and the performance of regional government agencies; The correlation coefficient between the internal control system (X₃) and the performance of local government agencies (Y) is 0.733 and categorized into strong relationships (correlation interval 0.6-0.79).

Thus it can be concluded that there is a very strong categorized relationship between the internal control system and the performance of local government agencies; The correlation coefficient between budget

participation (X₁) and budget goal clarity (X₂) is 0.645 and categorized into strong relationships (correlation interval 0.6-0.79); The value of the correlation between budget participation (X₁) and the internal control system (X₃) is 0.637 and categorized into strong relationships (correlation interval 0.60-0.79); The correlation coefficient between the budget goal clarity (X₂) and the internal control system (X₃) is 0.461 and categorized into a fairly strong relationship (correlation interval 0.40-0.59).

Path Analysis

After the correlation coefficient between each exogenous variable and endogenous variables is known, the next step is to calculate the path coefficient value and calculate the contribution of the combined effect (R²). The test results can be seen in table 4.

Table 4. Path Coefficients

Model		Unstandardized Coefficient		Standardized Coefficient	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.682	19.652		.798	.432
	Budget Participation (X1)	2.829	1.326	.320	2.133	.042
	Budget Goals Clarity (X2)	2.444	1.073	.297	2.278	.031
	Internal Control System (X3)	1.617	.533	.392	3.032	.005

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Table 5. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.857a	.734	.704	1.872.673

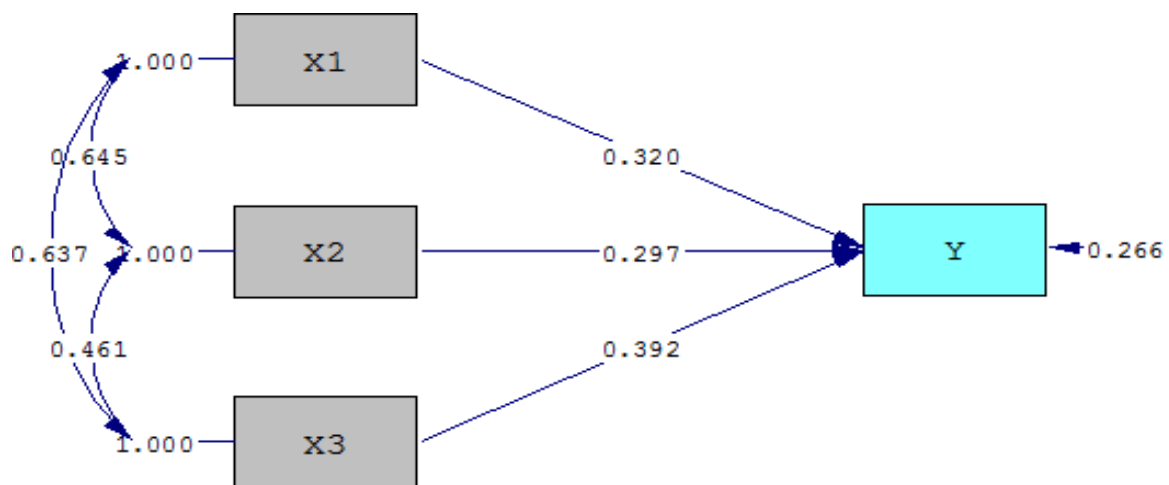
From the table above, it can be seen that the value of R Square obtained is 0.734,

which means budget participation, clarity of budget goals and the internal control

system simultaneously contribute influence of 73.4% to the performance of local government agencies, while as many as (1-R²) The remaining 26.6% is the size of the contribution of influence given by other factors not examined (ϵ). Structural equations that explain the effect of budget participation, clarity of budget targets and

internal control systems on the performance of local government agencies are as follows: $Y = 0.320 (\rho_{yx1}) + 0.297 (\rho_{yx2}) + 0.392 (\rho_{yx3}) + 0.266 (\epsilon)$. If mapped in the form of a path diagram, the correlation value (r), the path coefficient (ρ_{yxi}) and the value of epsilon (ϵ) will appear as follows:

Figure 1. Path Diagram



Discussion

Based on the results of data analysis, it can be seen that budgetary participation, clarity of budget targets, internal control systems carried out at 31 SKPD in Government of Karawang Regency which used as a place of research have a positive effect on the performance of Karawang regency government agencies with a contribution of 73.4%, while as much as 26.6% the rest is a large contribution of the influence given by other factors such as leadership style, quality of human resources, competence, leadership commitment, organizational commitment, performance-based budgeting, functional supervision, accounting control, accounting systems, and reporting system.

Based on the results of data analysis, it was found that budgetary participation had a positive effect on the performance of local government agencies with the contribution of the influence given, which was equal to 24.3%. The variable coefficient value is 0.320 and is positive. This means that more staff or employees who participate in the preparation of the budget will improve the performance of local government agencies in the Government of Karawang Regency.

Based on the results of data analysis, it was found that the budget goals clarity had a positive effect on the performance of local government agencies with the contribution of the given effect which was equal to 20.3%. Variable path coefficient value of 0.297 and positive value, it can be interpreted that the clear budget target will have an impact on the

better performance of local government agencies in the Government of Karawang Regency.

Based on the results of data analysis, it was obtained that partially the influence of the internal control system implementation on the performance of local

government agencies with the contribution of the influence given was equal to 28.8%. The variable coefficient value of 0.392 and positive value, it can be interpreted that the better the internal control system of eating has an impact on the better performance of local government agencies in the Government of Karawang Regency.

Table 6. Recapitulation of Direct and Indirect Contributions

Model	ρ_{yxi}	DE (ρ_{yxi}) ²	IE (Through)			Amount
			X ₁	X ₂	X ₃	
Budget Participation (X ₁)	0,320	10,2%		6,1%	8%	24,3%
Budget Goals Clarity (X ₂)	0,297	8,8%	6,1%		5,4%	20,3%
Internal Control System (X ₃)	0,392	15,4%	8%	5,4%		28,8%
Total Effect						73,4%

The results of the research conducted to test the truth of the budget participation hypothesis have a positive effect on the performance of local government agencies based on theory and the results of research conducted by previous studies are consistent with research from Cecilia Lelly Kewo (2014); Gul, et al (1995); Abata, Mathew A. (2014); Owusu, et al (2014); Brownell, Peter (1982); Kennis, Izzetin (1979) which means that the higher the involvement of local government officials in preparing the budget will encourage the officials to be responsible for each task that they carry out so as to improve performance so that the set targets will be achieved

Budget goals clarity has a positive effect on the performance of local government agencies and prove and strengthen the results of research by Erica Magdalena (2014); Nur Atika Aini (2015); Cecilia Lelly Kewo (2014); Chong M. Lau (2011); Kennis, Izzetin (1979) which means that a budget goals clarity will have

an impact on the better performance of local government agencies, on the contrary, the unclear budget goals will also have an impact on the poor performance of local government agencies. It can be concluded that with the existence of a clear budget target, the budget executing apparatus will also be helped in the clarification, this will affect the performance of the local government apparatus. With the existence of a budget goals clarity, it will make it easier for implementation in work or in the performance of local government officials. Budget goals clarity causes local government officials to better understand the goals to be achieved in the future so they can improve performance. Budgets that are not known to be targeted will result in inappropriate uses of the budget that was originally planned. The regional budget target must be a benchmark for expected performance, so that regional budget planning can describe clear performance targets.

The Internal Control System partially has a positive effect on the performance of local government agencies and proves and strengthens the results of research by Edipson Bayer Silalahi (2017); Taufan Dharmawan (2016); Rizky Darmawan (2016); Erica Magdalena (2014); Nur Atika Aini (2015); Cecilia Lelly Kewo (2014) which means that with a well-established internal control system, the activities carried out by the government will run effectively and efficiently, and ensure that the activities carried out are in accordance with the achievement of objectives. A good internal control system will lead to improved organizational performance and encourage better decision making by supervisor managers and subordinates. Improved management performance and internal accountability that have an impact on society are things that are not separate from the objectives of the internal control system.

Simultaneously budget participation, budget goals clarity, and internal control system implementation have a positive effect on the performance of local government agencies and prove and strengthen the results of research conducted by Cecilia Lelly Kewo (2014) showing the results that participatory budgeting, budget goals clarity, and implementation of influential internal controls simultaneously on managerial performance of regional governments. It can be concluded that the more staff or employees who participate in budgeting, clearly defined budget targets and the better the internal control system

will have an impact on the better performance of local government agencies.

Conclusions and Suggestions

Simultaneously budget participation, budget goals clarity, and internal control systems implementation have a positive effect on the performance of local government agencies. Partially, budget participation, budget goals clarity, and each internal control system implementation have a positive effect on the performance of Karawang Regency Government Agencies. This study only uses the method of distributing questionnaires without conducting in-depth interviews so that there are limitations in discussing the results of the study.

Based on the results of research that has been analyzed and concluded, it is expected to have broad implications for research with similar topics. For further research interested in discussing the performance of local government agencies, it can add other research variables not analyzed in this study. Such as leadership style, quality of human resources, leadership commitment, organizational commitment, performance-based budgeting, functional supervision, accounting control, accounting systems, reporting systems, and other factors. Complete the research method by conducting interviews to increase the confidence and truth of the respondent's answers to prevent the occurrence of research results is necessary.

Glossary:

APBD	= Local Revenue and Expenditure Budget
BPKAD	= Regional Financial and Asset Management Agency
IKU	= Key Performance Indicators
KKN	= Collusion, Corruption and Nepotism
LAKIP	= Government Agency Performance Accountability Report
RPJMD	= Regional Medium-Term Development Plan
SAKIP	= Government Agency Performance Accountability System

SKPD = Regional Work Unit
WTP = Unqualified Opinion

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