

ANALYSIS OF PERFORMANCE-BASED BUDGETING ON THE ACHIEVEMENT OF REGIONAL DEVELOPMENT PROGRAMS AT THE CENTRAL BUTON REGENCY REGIONAL FINANCIAL AND ASSET MANAGEMENT AGENCY (BPKAD)

Reva Rasta Varian K¹, Murni Sari^{2*}, Wilda Fatmala³

^{1,2,3}Politeknik Baubau, Baubau Indonesia

ARTICLE INFORMATION

Received: 5 August 2025
Revised : 9 September 2025
Accepted: 14 October 2025
DOI:

KEYWORDS

Performance-Based Budgeting; Financial Administration; Accountability; Regional Development, BPKAD.

CORRESPONDING AUTHOR

Name : Murni Sari
Address : Baubau
Email : Murnisarl584@gmail.com

A B S T R A C T

Background Performance-based budgeting is a crucial component of regional financial management reform oriented towards results (outputs and outcomes) designed to support the success of regional development programs. As a newly autonomous region, the Regional Financial and Asset Management Agency (BPKAD) faces challenges in optimizing fiscal allocation, including obstacles related to the transition from manual to digital administrative systems and the synchronization of programs. The objective of this study is to analyze and measure the impact of performance based budgeting, regional financial management and administration, and regional financial reporting and accountability on the achievement of regional development programs. Method this study employs a quantitative approach using the multiple linear regression analysis method. Primary data were collected via a Likert-scale questionnaire distributed to 46 BPKAD officials using a total sampling technique, alongside secondary data. Data processing was performed using SPSS software version 26. The research results show calculated t-values of 3.251 (sig. 0.002), -2.475 (sig. 0.017), and 4.270 (sig. 0.000) for the three independent variables. Simultaneously, the three variables have a positive effect on the achievement of regional development programs, with a calculated F-value of 13.283 (sig. 0.000) and a coefficient of determination (R^2) of 48.7%—while the remaining 51.3% is influenced by factors outside the research model—indicating that performance-based budgeting has a significant positive effect on the achievement of regional development programs.

INTRODUCTION

State financial reform, marked by the enactment of Law Number 17 of 2003 concerning State Finance and Law Number 1 of 2004 concerning State Treasury, has brought about fundamental changes to the regional financial management system in Indonesia (Republik Indonesia, 2003). One of the most important changes is the transformation of the budgeting approach from traditional input-based budgeting to performance-based budgeting which emphasizes achieving measurable results (outputs and outcomes) from each program and activity funded through the APBD.

The role of those responsible for compiling government agency performance is crucial in producing high-quality and accountable agency performance. This accountability is fulfilled through the preparation of the Regional Apparatus Work Unit Work Plan and Budget (RKA-SKPD) by establishing a budgeting system that integrates performance planning with the annual budget linking available funding to expected outcomes commonly referred to as performance-based budgeting (Israr & Syofyan, 2022).

Performance-based budgeting is a budgeting method that links the costs allocated to specific activities with the resulting outputs and outcomes. These outcomes are reflected in the performance targets set for each work unit. The intended objectives are incorporated into programs, accompanied by funding allocations corresponding to each level of objective achievement. The formulation of performance-based budgets for policies and programs must identify objectives, targets, resource levels, and outcome measures within the annual performance plan. Low-level program activities must align with the institution's overall work plan; the institution then elaborates on its goals, objectives, and performance metrics in collaboration with its subordinate organizations. One of the most challenging aspects of performance-based management is defining performance targets that can be measured reliably and consistently (Selviani, 2021).

The implementation of performance-based budgeting in Indonesia, as mandated by Ministry of Home Affairs Regulation Number 77 of 2020, continues to face obstacles during the preparation phase of the Regional Apparatus Work Unit Budget Work Plans (RKA-SKPD). This phenomenon shows that

the best quality of education is still achieved in terms of the quality of education, which is based on the quality of education, and the results (outcome) orientation (Republik Indonesia, 2020). This creates a lack of synchronization of the practice of the regional government with the Regional Government Information System (SIPD) which is designed to integrate the performance capabilities of the national government (Isma Sari, 2023).

The Ministry of Home Affairs has developed the Regional Government Information System (SIPD), a web-based platform that integrates regional financial data regarding planning, budgeting, execution, and reporting. The main obstacle in the implementation of SIPD lies in network disruptions and system errors caused by the high access load from all regions. In addition, there are technical issues such as unsaved data, missing account codes, and report formats that do not comply with BPK audit standards. These issues have resulted in delays in the preparation of financial reports and the disbursement of funds, as well as increased employee workloads (Nasution, *et al.*, 2021).

Central Buton Regency is an autonomous region formed through the division of Buton Regency, pursuant to Law Number 15 of 2014. As a relatively young area, the Regency of Buton Tengah faces various challenges in terms of its development, starting from the lack of infrastructure, the low level of human development index, the high level of poverty, to the lack of fiscal capacity that is competitive and depends on the central railway. Given these conditions, the quality of regional financial management is a crucial factor in determining the successful achievement of development programs (Tenri, *et al.*, 2024).

Local government financial performance refers to the level of achievement regarding the financial operations of a local government encompassing both the budget and its realization measured against financial indicators established through policies or statutory regulations over a specific budget period Naufal, (2021). Reports from the Regional Accountability Agency are meant to show activities that are not hidden as a form of accountability. The regional government is required to present transparent, timely reports, and the performance of managers and officials should be objectively assessed by the public and supervisory institutions. Reporting should be able to provide certainty that every fiscal rupiah allocated is really absorbed in the right development program. When the reporting system works well, the evaluation of development programs that work can be carried out quickly and accurately, thus minimizing the risk of misallocation of assistance. The autonomy of the region affected the occurrence of decentralization in the government system in Buton Tengah Regency. Therefore, the government of Central Buton Regency, as the party entrusted with the task of carrying out governance, development, and services. Maisyairait is required to complete his responsibilities so that he can be assessed by the government of Central Buton Regency on whether he has carried out his duties properly or not Dharmawati, (2025).

Management and Financial Reporting in the Central Buton Regency are often encountering substantive technical issues. Before the implementation of the Buteng site application, the administrative process for the realization of budgeting at the Buton Tengah Regional Secretariat was still carried out manually. This condition often causes various problems, such as delays in funding disbursement, insufficient data accuracy, difficulties in processing documents, and even potential errors in input that can affect regional finances. With this application, the entire process becomes more integrated, controlled, and can be accounted for. Well, the effectiveness of an application is not only measured by its availability, but also by how well the application can meet user needs, improve performance, and speed up administrative processes. Therefore, it is important to evaluate the effectiveness of Saitriai Buteng in supporting the administration system of air management implementation at the Buton Tengah Government Secretariat (Rezza Fahlevvi, *et al.*, 2025).

this research was done by Ismid & Lubis, (2020). It raises the importance of commitment from all components of the organization in influencing the preparation of plans, allocation of resources, and achievement of performance-based results in Singkil District. Research Maria Timurni, (2019) The applied pain analysis is based on performance and has a significant effect on achieved performance, accountability has a significant effect on performance, and transparency variables have an effect on achieved performance. Research Budi & Ghoidah, (2020) Planning and development based on performance have a significant positive influence on the accountability of performance in the planning of regional development research and development.

METHODOLOGY

Quantitative research is described as a research method based on the philosophy of positivism, used to study a certain population or sample, data collection uses research instruments, data analysis is quantitative/statistical in nature, with the aim of testing the hypotheses that have been set (Sugiyono,

2020) quantitative research was chosen by the researcher with the aim of measuring the quality and examining the relationships between variables numerically as well as conducting systematic analysis through hypothesis testing (Saunders *et al*, 2019). With this approach, the data obtained can be analyzed objectively using statistical methods so that the relationships between variables can be determined clearly. The type of explanatory research is chosen because the research is not just about describing phenomena, but focuses on explaining causal relationships. The types of research data consist of primary data and secondary data. Primary data was obtained through the distribution of questionnaires to respondents, documentation, and observation with relevant parties at the Financial and Assets Management Agency of Central Buton, while secondary data in this research consisted of data obtained indirectly, either through other parties or through documents. This secondary data was obtained from various official government documents. The research was conducted at the Financial Research and Regional Assets Division. The implementation period started from January until July 2026.

Population is the entirety of objects or subjects of research that have certain characteristics and are determined by the researcher to be studied systematically to obtain research conclusions. With that, the population in this research includes all BPKAD apparatus in Central Buton Regency who are directly involved in the performance-based engagement process, totaling 46 employees. A sample is part of a population that is taken as a representative in research. Referring to the amount of BPKAiD apparatus involved in performance-based evaluations, this study applied a total sampling (census) method by involving all members of the population as research respondents, totaling 46 employees. The primary data collection was carried out using a questionnaire instrument designed to measure 4 main research variables, namely Performance-Based Budget Preparation (X1), Regional Financial Management and Administration (X2), Regional Financial Reporting and Accountability (X3), and Achievement of Regional Development Programs (Y), with a total of 32 questions. Each statement item is measured using a 1-5 Likert scale to find out the level of respondents' agreement, with scores ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The main analysis techniques used in this research are validity tests, reliability tests, classical assumption tests, and hypothesis tests using SPSS version 26.

RESULTS & DISCUSSION

Validity Test

Table 3 Validity Test Results				
indicator		calculated r	r-table	Information
Performance-Based Budgeting (X1)	X1.1	0,574	0,291	Valid
	X1.2	0,553	0,291	Valid
	X1.3	0,613	0,291	Valid
	X1.4	0,637	0,291	Valid
	X1.5	0,591	0,291	Valid
	X1.6	0,653	0,291	Valid
	X1.7	0,679	0,291	Valid
	X1.8	0,594	0,291	Valid
Regional Financial Management and Administration (X2)	X2.1	0,597	0,291	Valid
	X2.2	0,449	0,291	Valid
	X2.3	0,583	0,291	Valid
	X2.4	0,616	0,291	Valid
	X2.5	0,430	0,291	Valid
	X2.6	0,747	0,291	Valid
	X2.7	0,714	0,291	Valid
	X2.8	0,572	0,291	Valid
Regional Financial Reporting and Accountability (X3)	X3.1	0,529	0,291	Valid
	X3.2	0,715	0,291	Valid
	X3.3	0,643	0,291	Valid
	X3.4	0,523	0,291	Valid
	X3.5	0,513	0,291	Valid

	X3.6	0,525	0,291	Valid
	X3.7	0,602	0,291	Valid
	X3.8	0,695	0,291	Valid
Regional Development Program Achievements (Y)	Y.1	0,484	0,291	Valid
	Y.2	0,768	0,291	Valid
	Y.3	0,514	0,291	Valid
	Y.4	0,410	0,291	Valid
	Y.5	0,335	0,291	Valid
	Y.6	0,516	0,291	Valid
	Y.7	0,617	0,291	Valid
	Y.8	0,723	0,291	Valid

Source: SPSS Data Processing 26.2026

Validity tests are carried out to assess how well each statement item in a research instrument can measure the concept that is supposed to be measured. The validity testing is done to determine the accuracy of a research instrument, ensuring that the instrument measures appropriately according to the intended goals. Each statement's variable was considered valid. The calculated *r* value is greater than the table *r*, while in this study the table *r* value was compared with a 5% significance level for a sample of 46 people, which is 0.29 (Sari & Rahma, 2025). According to (Sugiyono, 2020) A valid instrument is an instrument that can be used to measure research variables accurately and produce data that fits the conditions of the object being studied.

Reliability Test

Table 2 Reliability Test Results			
Variable	Cronbach's Alpha	Coefficient Standard	Information
Performance-Based Budgeting (X1)	0,754	0,60	Reliable
Regional Financial Management and Administration (X2)	0,733	0,60	Reliable
Regional Financial Reporting and Accountability (X3)	0,738	0,60	Reliable
Regional Development Program Achievements (Y)	0,670	0,60	Reliable

Source: SPSS Data Processing 26, 2026

Reliability tests aim to find out the level of consistency of the measurement results obtained from a number of questionnaire items, especially if the measurements are carried out more than once using the same instrument. The reliability testing in this research uses Cronbach's Alpha, which is used to measure reliability. If the Cronbach's Alpha value is more than 0.60, it is considered reliable. W, Fatmala (2024).

Classical Assumption Test

Normality Test

According to (Sukrin, *et al.*, 2022), Normality testing serves to check whether a dataset is normally distributed or not. Berdasarkan hasil data yang digunakan pada penelitian menunjukkan indikasi normal dan tidak terjadi adanya penyimpangan. Hal ini dibuktikan dengan *uji Kolmogrov-Smirnov* yang dilakukan pada kolom signifikansi menunjukkan hasil $> 0,05$, yakni sebesar 0,102

Multicollinearity Test

According to (Fatmala, *et al.*, 2024) The purpose of the multicollinearity test is to check whether there is a correlation between independent variables in a regression model. From the test results, it can be concluded that all independent variables have tolerance values greater than 0.10 and VIF values much smaller than 10.00, so it can be concluded that there is no multicollinearity among the independent variables in this regression model and no multicollinearity occurs in the regression model. This hail is marked with tolerance values from the three independent variables greater than 0.10 and VIF values less than 10.

Heteroskedasticity Test

According to Ghozali (2018), Heteroskedasticity tests are carried out to find out if the points on the graph appear to spread out randomly, like in a scatterplot, spreading randomly without forming a

certain pattern and spreading both above and below the zero point on the Y-axis. That hail indicates that heteroskedasticity does not occur in the regression model.

Hypothesis Testing

Multiple Linear Regression

Table 3 Results of Multiple Linear Regression Analysis

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	17,377	5,829		2,981	,055
	Performance-Based Budgeting X1	,322	,099	,366	3,251	,022
	Regional Financial Management and Administration X2	-,271	,110	-,274	-2,475	,017
	Regional Financial Reporting and Accountability X3	,472	,472	,481	4,270	,000

Source: SPSS Data Processing 26, 2026

From the table above, the multiple regression equation is obtained as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

$$Y = 17.377 + 0.322X_1 + (-0.271X_2) + 0.472X_3$$

The correlation between variables is shown in Table 3, and from that, it can be concluded that the regression results can be explained as follows:

- 1) Constant (17,377), when all independent variables (X1, X2, X3) are zero (0), that is the constant, the value of the Development Program Achievement (Y) is 17,377.
- 2) The coefficient of X1 (0.322), for every increase of 1 unit in the variable of Performance-Based Development Arrangement, the Program Achievement increases by 0.322, assuming other variables remain constant.
- 3) The coefficient for X2 (-0.271), Every 1 unit increase in the variable Financial Management and Financial Supervision, the Achievement of Development Programs actually decreases by 0.271, assuming other variables remain constant.
- 4) The coefficient for X3 (0.472). Every time there is an increase of 1 unit in the Financial Reporting and Responsibility Management variable, the achievement of the Development Program also increases by 0.472, assuming other variables remain the same.

Partial Test (t-test)

According to Ghazali (2018), The t-test is conducted to see if the regression coefficient of each independent variable has a significant effect on the dependent variable while assuming other variables are held constant. If the significance value is < 0.05 , the null hypothesis is rejected and the alternative hypothesis is accepted. The test results show that the Performance-Based Employee Engagement variable (X1), Financial Management and Reporting variable (X2), and Financial Accountability Reporting variable (X3) obtained significant values smaller than 0.05. This means that the Performance-Based Employee Engagement (X1), Financial Management and Reporting (X2), and Financial Accountability Reporting (X3) variables have a positive and significant effect on the Program Achievement variable.

Simultaneous Test (F-test)

The F-test is used to find out whether all independent variables simultaneously affect the dependent variable. The F-test is conducted to see the combined influence of all the independent variables on the dependent variable within a regression model. This means that all independent variables are tested simultaneously to see their significant effect on the dependent variable. The assessment was also carried out by comparing the calculated F value with the table F value, in a model considered significant if the calculated $F > \text{table } F$.

Table 4 F-test results
ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	187,600	3	62,533	13,283	,000 ^b
	Residual	197,726	42	4,708		
	Total	385,326	45			

a. Dependent Variable: Regional Development Program Achievement (Y)

b. Predictors: (Constant), Regional Financial Reporting and Accountability (X3), Regional Financial Management and Administration (X2), Performance-Based Budgeting (X1)

From the F test, the obtained F value is 13.283, which is greater than the table F value of 2.83 with a significance value of 0.000. The results show that the variables of performance-based budgeting (X1), regional financial management and accountability (X2), and regional financial reporting and accountability (X3) all have a positive and significant effect on the achievement of regional development program targets (Y).

Coefficient of Determination (R^2)

**Table 5 Coefficient of Determination Test Results
Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,698 ^a	,487	,450	2,16974
a. Predictors: (Constant), Pelaporan dan Pertanggungjawaban Keuangan Daerah X3, Pengelolaan dan Penatausahaan Keuangan Daerah X2, Penyusunan Anggaran Berbasis Kinerja X1				
b. Dependent Variable: Pencapaian Program Pembangunan Daerah (Y)				

Source: SPSS Data Processing 26, 2026

According to Ghozali (2018), The R^2 value shows the total proportion of variation in the dependent variable that can be explained by the independent variables in the regression model. From the results of the determination coefficient test mentioned above, the R Square value obtained is 0.487. This shows that 48.7% of the variability in regional development programs (Y) is influenced by performance-based budgeting (X1), regional financial management and accountability (X2), and regional financial reporting and accountability (X3), while the remaining 51.3% is influenced by other factors outside the research model that were not included in the analysis.

The Impact of Performance-Based Budgeting on Achieving Regional Development Programs

Based on the partial test results (t-test), the variable Assembly of Performance-Based Engagement (X1) has a t-value of 3.251 with a significance level of 0.002, which is smaller than $\alpha = 0.05$, and the regression coefficient is positive at 0.322. This result empirically supports the First Hypothesis (H1), which states that performance-based organizational structuring has a positive and significant effect on the achievement of regional development programs in Central Buton Regency.

A positive coefficient means that the relationship increases; the higher it is, the more rational and measurable the process of creating work-based coordination by BPKAiD. This makes it increasingly optimal in achieving the targets of regional development programs. As far as technical aspects are concerned, the success in this dimension is reflected in the good synchronization between micro planning documents (RPJMD and RKPD) with tactical planning documents (KUA-PPA and RKA-SKPD). Typing clear performance indicators in the form of outputs or outcomes, along with applying the Standardized Learning Analysis (AiSB) instrument, minimizes misleading practices that only tend to waste leftover funds (money follows program). On the other hand, it should be allocated proportionally to fund priority programs in the regions, such as infrastructure development, education, and health.

This meeting is similar to the principles of New Public Management (NPM) introduced by Christopher Hood in 1991, where public sector organizations are required to shift from traditional input-based orientation to modern financial management that is result-oriented. By arranging and coordinating operational performance targets logically, achieving fiscal allocations that can be implemented efficiently for public welfare.

Besides that, the results of this research reinforce previous empirical studies from Sari, *et al.*, (2022). It proves that the quality of planning has a positive and significant impact on the effectiveness of achieving the target of development programs. This research is also in line with the findings (Putra & Ariyanto, 2018) and Budi & Ghoidah, (2020), Yes, emphasizing the integration of performance indicators in the formulation is actually a strategic instrument to boost the achievement of the Regional Government Key Performance Indicators (IKU).

The Influence of Local Financial Management and Administration on Achieving Regional Development Programs

The partial test (t-test) for the variable of Regional Financial Management (X2) showed a t-value of -2.475 with a significance level of 0.017, which is smaller than $\alpha = 0.05$, and the regression coefficient is negative at -0.271. This finding rejects the general positive relationship and shows results that are contradictory, where variable X2 has a significant influence but shows a negative impact on the achievement of regional development program goals in the BPKAD of Central Buton Regency.

From a statistical point of view, this negative coefficient indicates that each increase in the intervention in the examination process that aims to reduce bureaucratic control actually correlates with a decrease in the smoothness or achievement of the targets of development programs in the regions. This paradoxical phenomenon can be explained through the dynamic transition of administrative systems that are claimed by certain authorities. As it turns out, in practice, especially in implementing national digital platforms like the Regional Government Information System (SIPD), there are often technical issues such as network disruptions (traffic problems), system errors, data not being saved, accounts not showing up, and even technical regulation mismatches during the transition phase.

This situation causes the verification process of the Payment Request Letter (SPP), the issuance of the Payment Order Letter (SPM), and the confirmation of the Fund Disbursement Order Letter (SP2D) to become longer and take more time. The bureaucracy managing this digital system is causing delays in realizing the plans, making them pile up at the end of the planning period, which in the end slows down the execution of physical development programs (like road construction, bridges, and other sanitation works) on time. Aikibaitnyai, even though internal controls have been tightened, it has given a positive effect on achieving development targets in regions that are time-sensitive.

This meeting of Ainomaili becomes constructive criticism within the framework of Aigen Theory (Agency Theory) and public administration reform. Operational control in financial management that is too complicated or stuck in digital infrastructure issues (system errors) can trigger new bureaucratic inefficiencies that harm public interests.

The results of this research are different from the research Isma Sari, (2023), The technical constraints in the implementation of the SIPD system at the national level have proven to disrupt the rhythm of administration, increase the workload of employees, and also trigger delays in fund disbursement and regional development.

The Impact of Local Financial Reporting and Accountability on the Achievement of Regional Development Programs

Based on the partial t-test results, the reporting variable and financial accountability (X3) have a t-value of 4.270 with a significance level of 0.000 (which is below $\alpha = 0.05$) and a positive regression coefficient, which is 0.472. This study proves that Hypothesis Three (H3) is accepted by the respondents and accounted for, having a positive and significant influence on the achievement of regional development program targets. From the value of its coefficient, this variable is found to be the most dominant variable influencing the success of the development program in the Buton Tengah District BPKAD.

The high level of accountability in this dimension shows that financial accountability ultimately acts as a driving force for the effectiveness of development. The preparation of Regional Government Financial Reports (LKPD) that are complete and in accordance with Government Accounting Standards (SAiP), based on accrual, with quality presentation of report components (LRA, Balance Sheet, Cash Flow), and achieving an Unqualified Opinion (WTP) from the Audit Board of Indonesia (BPK RI) is not just a matter of administrative formality. Moreover, the reporting and transparency also provide a government evaluative function to assess the achievement of implementation precisely and to detect weaknesses in program implementation periodically.

Follow up by completing the follow-up on the BPK RI audit recommendations to minimize fiscal leakage risks in the next fiscal year. Financial information that is accounted for should be managed optimally by management (BPKAD and the Regent) as a feedback instrument to develop strategies for improving sustainable regional development policies.

Theoretically speaking, this result fully supports the Public Sector Accountability Theory and its derivation from the concept of Value for Money within New Public Management (NPM), which emphasizes that transparency of financial accountability encourages the creation of clean governance and increases public trust, which becomes an essential social model for the smooth running of development programs (Rahim, *et al.*, 2023).

Empirically, the dominance of this variable is aligned with the research (Maria Trimurni Esni 2019) highlighting the variability of accountability in the implementation of performance-based evaluations, providing positive contributions that are significantly related to improving organizational performance and management of resources. Improving the quality of regional financial management (proxied by BPK opinion improvements) has a positive correlation with efficiency in increasing the achievement of regional development programs as well as the Human Development Index (HDI).

The Influence of Performance-Based Budgeting, Management and Administration of Regional Finances, and Regional Financial Reporting and Accountability on the Achievement of Regional Development Programs

Based on simultaneous testing (F Test), it was found that the variables of Performance-Based Budget Planning (X1), Financial Management and Administration (X2), and Reporting and Accountability of Regional Finance (X3) simultaneously have a positive and significant effect on Regional Development Program Achievement (Y) at BPKAD of Central Buton Regency. This is proven through the F test value of 13.283, which is much greater than the table F value of 2.83, with a significance level of 0.000, which is far below the alpha limit of 0.05 (Sig < 0.05). Thus, empirically, the Fourth Hypothesis (H4) in this study is accepted.

The relationship of these three independent variables simultaneously is reinforced by the results of the determination coefficient test (R^2) which shows an R Square value of 0.487. This value indicates that the combination of contributions from the management of performance-based budgeting, the efficiency of case handling, and the quality of accountability can explain 48.7% of the variation in the dynamics of development program achievement in Central Buton Regency. In the meantime, the remaining 51.3% is influenced by other factors outside of this research's linear model, such as the specific competence of the human resources, leadership commitment, or regional fiscal capacity fluctuations affecting transfers from the central government.

As a theoretical substance, this simultaneous finding provides empirical confirmation that is quite relevant to the application of New Public Management (NPM) theory popularized by Christopher Hood. According to NPM theory, public sector reform must be carried out through a modern management approach that integrates the entire financial management cycle, starting from result oriented planning, efficient input-output control, to evaluation of public accountability that is transparent (Grossi *et al.*, 2020) (Hyndman & Liguori, 2019). Financial management is not handled separately as a distinct sectoral process, but rather as a value chain that is interconnected.

When BPKAiD of Central Buton Regency succeeded in integrating the micro development plans (RPJMD/RKPD) into performance-based tactical planning (X1), they could make development policies more focused and measurable. However, the readiness of the data in the examination cannot be meaningful without being supported by a fast case execution process (X2), even though the regulation is still in the transition phase and the digitalization of the examination is still being adapted, also encountering technical system errors on the SIPD platform (Isma sari, 2023). The coverage phase in the form of reporting and accountability to the leaders (X3) is considered to act as a final safeguard while also serving as a space to evaluate development progress, which according to the partial test results is the most dominant factor with the highest regression coefficient of 0.472.

A thorough integration of the performance-based budgeting cycle (planning-implementation-evaluation) is in line with Mardiasmo (2019), which states that the effectiveness of value for money in the public sector can be achieved if the allocation of financial resources is tied to consistent performance measurements in every aspect of the bureaucracy. Another success of BPKAiD is in maintaining high-quality financial reporting management, which is reflected in obtaining the Unqualified Opinion (WTP) from the Audit Board of Indonesia, becoming a driving force for public trust and at the same time proof that fiscal allocations are truly being converted to finance key development performance indicators, such as infrastructure provision, improving education quality, and reducing poverty and stunting in Central Buton Regency.

CONCLUSION

Performance based budgeting and regional financial reporting and accountability have a positive and significant impact on the achievement of regional development programs, while regional financial management and administration have a significant but negative impact due to technical constraints in the digital administration process. Simultaneously, these three variables significantly influence the achievement of regional development programs with a contribution of 48.7%, while 51.3% is explained

by other factors outside the research model. This study has limitations, including limited coverage to one regional financial management agency, a relatively small number of respondents (46 people), primary data that relies on respondents' perceptions, which has the potential to cause bias, variable coverage that only covers three dimensions of performance-based budgeting, a cross-sectional research design, and technical constraints in the regional government information system that can influence respondents' perceptions. Further research is recommended to expand the scope of agencies, increase the number of respondents, and consider other variables such as human resource competency, organizational commitment, and the use of information technology.

ACKNOWLEDGMENTS

The author extends heartfelt gratitude to their beloved parents, who have always provided encouragement and served as a source of strength at every step of the journey. Gratitude is also extended to Ms. Murni Sari, S.A.B., M.M. first supervisor and Ms. Wilda Fatmala, S.Sos., M.Si. second supervisor for the guidance and direction provided throughout the writing of this research, as well as to the Regional Financial and Asset Management Agency for granting permission and providing data support during the research process.

REFERENCES

- Budi, A., & Ghoidah, N. (2020). The influence of performance-based budget planning on performance accountability in regional development planning agencies. *Journal of Accounting and Regional Finance* 8(2), 45-60.
- Dharmawati, T. (2025). Analysis of the financial performance of the regional government of Central Buton Regency. *Journal of Regional Finance*, 9(1), 23-36
- Fatmala, W., & Husriah, E. Y. F. (2024). Retribution Regulation, Market Service Facilities, Retribution Tariffs, and Willingness to Pay Market Retribution. 12(1), 167-179. DOI: <http://dx.doi.org/10.24127/jp.v12i1.10343>
- Ghozali, I. 2018. Multivariate analysis application with IBM SPSS 26 program (9th ed.). Diponegoro University Publishing Agency
- Ismid, R., & Lubis, A. (2020). The influence of organizational commitment on the preparation of performance-based regional budgets in Singkil Regency. *Journal of Government Accounting*, 8(1), 33-47
- Israr, N. H., & Syofyan, E. (2022). The Effect of Performance-Based Budgeting and Good Governance Implementation on Government Agency Performance Accountability. *Jurnal Eksplorasi Akuntansi*, 4(4), 686-697. <https://doi.org/10.24036/jea.v4i4.550>
- Isma Sari. (2023). Implementation of performance-based budgeting in the preparation of RKA-SKPD through the Regional Government Information System (SIPD) *Journal of Government Administration*, 11(2), 75-89
- Maria Trimurni Esni. (2019). Implementation of performance-based budgeting on regional financial performance. *Journal of Public Finance*, 14(4), 200-214.
- Mardiasmo. (2019). Public Sector Performance-Based Budgeting: Integrating Budgeting and Performance Evaluation in Local Government. *Journal of Accounting and Public Finance*, 4(1), 33-48
- Naufal. (2021). Analysis of regional government financial performance based on financial indicators. *Journal of Regional Economics and Finance*, 10(1), 57-71.
- Nasution, M. I., & Nurwani. (2021). Analysis of the Implementation of the Regional Government Information System (SIPD) at the Regional Financial and Asset Management Agency (BPKAD).
- Rezsa Fahlevvi, S., et al (2025). Evaluation of the effectiveness of the Satria Buteng application in

- supporting the administration of the budget realization of the Central Buton Regional Secretariat. *Journal of Government Information Systems*, 4(1), 90-105 <https://doi.org/10.33857/jsip.v4.1.2025>
- Republic of Indonesia. (2003). Law Number 17 of 2003 concerning State Finance. Jakarta. State Secretariat.
- Republic of Indonesia. (2020). Regulation of the Minister of Home Affairs Number 77 of 2020 concerning Technical Guidelines for Regional Financial Management. Jakarta: Ministry of Home Affairs
- Rahim, R. K. R., & Adnan, M. F. A. (2023). New Public Management Theory. Evaluation and Challenges in the Context of Public Services
- Selviani, D. (2021). The Effect of Implementing Performance-Based Budgeting on the Performance Accountability of Cimahi City Government Agencies. *Land Journal*, 1(2), 117-124 <https://doi.org/10.47491/landjournal.v1i2.703>
- Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research Methods for Business Students* (8th ed.). Pearson
- Sari, M., & Rahma, F. (2025). The Role of Public Finance in Supporting Sustainable Development: A Review of Baubau City. 14(2), 648-662
- Sukrin, Wilda Farmala, F. R. (2022). The Influence of Tourism Products and Destination Image on Tourism Visit Decisions at Nirwana Beach, Baubau City, 2021, 6(2), 366-385. DOI <https://doi.org/10.37339/e-bis.v6i2.971>
- Sari, N. W., & Maulana, A. (2022) Analysis of the Relationship between Regional Finance and Development in the Era of Regional Autonomy *Journal* <https://doi.org/10.31227/osf.io/abcdef> Public Administration 12(3), 211-227
- Sugiyono. (2020). Quantitative, Qualitative, and R&D Research Methods. Alfabeta.
- Tenri, A., & Abidin, Z. (2024). Accountability of Website-Based Village Fund Financial Management in Floating Village, Mawasangka District, Central Buton Regency.