Journal of Management Science (JMAS)
*Volume 7, No. 3, July 2024, pp 558-564* ISSN 2684-9747 (Online)
www.exsys.iocspublisher.org/index.php/JMAS Published by:Institute of Computer Science (IOCScience)

# The effect of monitoring and evaluation implementation on the transparency of Parepare City bappeda financial reports

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ARTICLE INFO

*Article history:*

Received Jul 2, 2024
Revised Jul 24, 2024
Accepted Jul 25, 2024

*Keywords:*

Evaluation ;
Monitoring;
Transparency.

ABSTRACT

This research aims to determine the effect of monitoring and evaluation on the transparency of the Parepare City Bappeda financial reports. This research is quantitative research. The data used in this research are primary data and secondary data with a population of 50 people. The method used to analyze the relationship between the independent variable and the dependent variable is descriptive, classical assumption test, validity test, reliability test and simple linear regression analysis. The results of this research show that the monitoring variable has a positive and significant effect on the transparency of the Parepare City Bappeda's financial reports, evaluation also has a significant effect on the transparency of the Parepare City Bappeda's financial reports.



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## 1. Introduction

In the era of industrial revolution 4.0, Indonesia continues to strive to improve its quality in achieving progress for the nation and state, starting from improving quality in the economic sector, infrastructure development and including the government sector which participates in innovating in utilizing available information and communication systems amidst the incessant development and progress of globalization. At the moment. One form of positive impact from the development of Information and Communication Technology is the emergence of a digitalization system in government administration known as Electronic Government or e-government.(Muftikhali and Susanto, 2017).

In the government sector, the Indonesian Government is implementing service innovation by developing a digital (online) based service system. This digital service is usually called electronic government. Electronic-Government can be considered as a phenomenon triggered by the introduction of the internet and technology, conversely electronic government can also be understood as a new term to represent the use of information and communication technology in government activities or affairs.(Laumer and Eckhardt, 2012).The provision of electronic-based services or services carried out online, known as electronic government, is an information technology-based system used by the government for various needs and requirements such as providing services to the community, providing information about government or all activities related to government affairs. The implementation of electronic government throughout the world has proven that electronic government offers various benefits to governments and society.

One of the goals of implementing electronic government is so that government institutions are able to provide better public services(Nugraha, 2018).According to Yun and Opheim, electronic government aims to provide a platform where citizens regardless of socioeconomic status can participate in government and administrative affairs regardless of one's status value.(Bwalya, 2018).

The implementation of electronic government in Indonesia began in 2001 based on Presidential Instruction Number 6 of 2001 concerning "Telecommunication, Media and Informatics (Telematics)", in this Instruction it is explained that government officials are obliged to use and utilize telematics technology to encourage the achievement of good governance and accelerate the democratic process. The process of developing electronic government in Indonesia is based on Presidential Instruction Number 3 of 2003 concerning "National Policy and Strategy for the Development of Electronic Government." In Presidential Instruction Number 3 of 2003, it is explained about the things to be considered in establishing an electronic government in Indonesia, including: 1) That the rapid progress of communication and information technology and the potential for its widespread use, opens up opportunities to access, manage and utilize information in large volumes quickly and accurately; 2) That the use of communication and information technology in government processes (Electronic Government) will increase efficiency, effectiveness, transparency and accountability in government administration; 3) That in order to implement good governance and improve effective and efficient public services, it is necessary to have e-government development policies and strategies: 4) That in its implementation a common understanding, synchronization of actions and integration of all elements of government agencies is required, it is deemed need to issue a Presidential Instruction for the implementation of national e-government development policies and strategies.

To see a graph of Indonesia's Electronic Government ranking from 2003 to 2022, below the author presents data quoted from the Ministry of State Apparatus Empowerment and Bureaucratic Reform of the Republic of Indonesia based on the results of a survey conducted by the United Nations (UN) through the United Nations Electronic Government Survey, the requirements for implementing electronic government in Indonesia by looking at the results of the E-Government ranking conducted by the United Nations (UN) through the 2022 United Nations (UN) e-Government Survey will increase from 2020 , where Indonesia rose to 77th place for the development and implementation of electronic government or an electronic-based government system (SPBE). The 2022 results released in July showed an increase of 11 places compared to 2020, which was ranked 88th, and 2018, which was ranked 107th and 116th in 2016.

The UN has designated countries that get more than 0.75 points as Very High E-Government Development Index or Very High EGDI; between 0.50 to 0.75 as High EGDI; between 0.25 to 0.50 as Middle EGDI; and less than 0.25 as Low EGDI. Overall, Indonesia received a score of 0.71600 in the High EGDI group in the 2022 United Nations E-Government Survey. In each performance measurement assessment, Indonesia recorded a fairly good score, namely a score of 0.7644 for OSI, a score of 0.6397 for TII, and a score of 0.7438 for HCI. These three components are above the world average score. Apart from that, Indonesia should also be proud, because in the EDGI release which was also presented in the same report, Indonesia managed to jump up 20 places on the E-Participation Index in 2022. From previously ranked 57th in 2020 to ranked 37th in 2022 with a score of 0 ,71590.

It is hoped that e-Monev can encourage an effective and efficient performance system for government institutions in the process of controlling and evaluating programs or policy activities for the current year. From the results of the evaluation and reporting of data contained in the e-Monev system, this data can later be used as a reference and guideline in the process and stages of creating and determining government policy programs in the following period.

The current condition in the last few months is that the South Sulawesi Province Regional Development Planning Agency's e-Monev system is experiencing problems with the e-Monev system, where these problems are caused by several factors such as the lack of availability of Human Resources (Experts) in the field of Telecommunications Science and poor cooperation system by the South Sulawesi Provincial Regional Development Planning Agency with developers, unclear regulations between the South Sulawesi Bappeda and the e-Monev system developers, and there are still problems or gaps in the implementation of Regional Government development policies at the South Sulawesi Provincial Regional Development Planning Agency.

Of course, this phenomenon is contrary to the vision and mission of the Indonesian government to realize Good Governance by using and utilizing technology and information systems during the industrial revolution 4.0, and this phenomenon also has a negative influence or impact, especially for the Bappeda of Parepare City, South Sulawesi Province in carrying out this process. Report programs or activities for the current year. Based on the problem formulation above, the objectives of this research are: (a). Determine the effect of monitoring implementation on the financial reports of the Parepare City Bappeda. (b). Determine the influence of the implementation of the evaluation on the financial reports of the Parepare City Bappeda. (c). Determine the effect of simultaneous monitoring and evaluation on financial reports in the City of Bappeda Parepare.

## 2. Research methods

This research uses descriptive research with a quantitative approach. This descriptive research method is used to solve or answer the problems being faced by collecting data, analysis, conclusions and reports. The descriptive research method with a quantitative approach is carried out by describing or explaining what phenomena and problem situations occur in the place to be studied. The data sources used in this research are divided into 2 types, namely primary data and secondary data. The population in this study was the entire number of employees in the Parepare City Bappeda, totaling 50 people. The sample is a purposive sampling technique, namely a method of determining informants who are determined deliberately by the researcher. The selection of informants that has been determined is as follows:

a. Civil Servants (PNS) who work at the Parepare City Regional Development Planning Agency.
b. Civil Servants (PNS) in the Monitoring, Evaluation and Reporting Section of the Parepare City Bappeda.
c. Civil Servants (PNS) appointed by the Parepare City Regional Development Planning Agency as informants.

## 3. Results and Discussion

### 3.1. Data Analysis Results

### a. Validity test

**Table 1**. Validity Test Results

| Variable | Statement Item Code | $r_{hitung}$ | $r_{tabel}$ | Information |
|---|---|---|---|---|
| Monitoring (X1) | X1.1 | 0.892 | 0.2306 | Valid |
| | X1.2 | 0.586 | 0.2306 | Valid |
| | X1.3 | 0.802 | 0.2306 | Valid |
| | X1.4 | 0.382 | 0.2306 | Valid |
| | X1.5 | 0.752 | 0.2306 | Valid |
| | X1.6 | 0.774 | 0.2306 | Valid |
| | X1.7 | 0.725 | 0.2306 | Valid |
| | X1.8 | 0.749 | 0.2306 | Valid |
| | X1.9 | 0.766 | 0.2306 | Valid |
| | X1.10 | 0.660 | 0.2306 | Valid |
| Evaluation (X2) | X2.1 | 0.691 | 0.2306 | Valid |
| | X2.2 | 0.770 | 0.2306 | Valid |
| | X2.3 | 0.524 | 0.2306 | Valid |
| | X2.4 | 0.558 | 0.2306 | Valid |
| | X2.5 | 0.835 | 0.2306 | Valid |
| | X2.6 | 0.758 | 0.2306 | Valid |
| Transparency (Y) | Y1 | 0.446 | 0.2306 | Valid |
| | Y2 | 0.785 | 0.2306 | Valid |
| | Y3 | 0.532 | 0.2306 | Valid |
| | Y4 | 0.698 | 0.2306 | Valid |
| | Y5 | 0.729 | 0.2306 | Valid |
| | Y6 | 0.442 | 0.2306 | Valid |

*Source: 2024 Data Processing Results*

Based on table 1, it shows that all statement items in the Monitoring, Evaluation and Financial Report Transparency variables meet the requirements because the correlation value has a value above 0.2306

### b. Reliability Test

**Table 2.** Reliability Test Results

| Variable | Cronbach's Alpha | Information |
|---|---|---|
| Monitoring | 0.740 | Reliable |
| Evaluation | 0.682 | Reliable |
| Transparency | 0.638 | Reliable |

*Source: 2024 Data Processing Results*

The results of the reliability test in table 4.9 show that the Monitoring variable (X1) has a Croanbach alpha value of 0.740, the Evaluation variable (X2) has a Croanbach alpha value of 0.682, and the Transparency variable (Y) has a Croanbach alpha of 0.638. So it can be concluded that all variable measuring concepts from the questionnaire are reliable so that in the future the items for each variable are suitable to be used as measuring tools.

**c. Multiple Regression Test**

**Table 3**. Multiple Regression Test Results

Coefficientsa

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| : (Constant) | 10,194 | 8,380 | | 3,879 | ,001 |
| Monitoring | ,583 | ,104 | ,202 | 5,620 | ,000 |
| Evaluation | ,774 | ,443 | ,650 | 1,746 | ,001 |

a. Dependent Variable: Transparency

Based on the table above, the results of monitoring and evaluation calculations on the transparency of financial reports at the Parepare City Regional Development Planning Agency (Bappeda) can be arranged in the following model:

$$Y = 10.194 + 0.583 + 0.774 + eX_1X_2$$

From this formula it can be explained as follows:

1) The constant is 10.194, which means that if all the X variables have a value of 0, then the Y value is 10.194.
2) The Monitoring variable has a regression coefficient value of 0.583, if the monitoring value is increased by one unit, then the transparency of financial reports will increase by 0.583 units$(X_1)$
3) The Evaluation variable has a regression coefficient value of 0.774, if the evaluation value is$(X_2)$ increased by one unit, the evaluation will increase by 0.774 units

**d. Determination Coefficient Test ($R^2$)**

**Table 4**. $R^2$ Test Results

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | ,729a | ,697 | ,468 | 204,885 |

a. Predictors: (Constant), Monitoring, Evaluation
b. Dependent Variable: Transparency

The coefficient of determination is a tool to measure the magnitude of the influence of the independent variable on the dependent variable. The magnitude of the coefficient of determination ranges from 0 to 1, the greater the coefficient of determination is closer to 1, the greater the influence of the independent variable. The results of the adjusted $R^2$ test in this study obtained a value of 0.697. This shows that the transparency of financial reports is influenced by monitoring and evaluation variables by 69.7%, while the remaining 30.3% is influenced by other factors not included in research.

**e. t test**

The partial significance test is carried out to show whether the independent variable has its own (partial) influence on the dependent variable. The decision for this test is made by looking at the significance value in the ANOVA table. If the Sig value <0.05 means that the independent variable has a significant effect on its own (partially) on the dependent variable. Based on table 4.10, the test of the independent variables can be described as follows:

1. The influence of monitoring on the transparency of financial reports. The results of the data processing above obtained a monitoring variable value (X1) of 5.620, greater than 2.052 and a

sig value of 0.000. This means that monitoring has a significant effect on the transparency of the financial reports (Y) of the Parepare City Regional Development Planning Agency (Bappeda) office.$t_{hitung} t_{tabel}$

2. The influence of evaluation on the transparency of financial reports. The results of the data processing above obtained an evaluation variable value (X2) of 1.746 which is smaller than 2.052 and a sig value of 0.01<0.05 means that the evaluation variable (X2) has a significant effect on the transparency of the financial reports (Y) of the Regional Development Planning Agency (Bappeda) office. ) Parepare city.$t_{hitung} t_{tabel}$
3. Evaluation variables have a dominant influence on the transparency of financial reports. Based on table 4.10, it shows that by looking at the coefficient value of each independent variable, namely monitoring and evaluation. Evaluation has a regression coefficient value of 0.774 and Monitoring has a regression coefficient of 0.584 or a beta value of 0.650 > 0.202. This can be concluded that the Evaluation variable is the dominant variable on financial report transparency because it has a larger regression coefficient.

**e. F test**

**Table 5**. F Test Results

Anova[a]

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 24,057 | 8 | 19,028 | 8,743 | ,000b |
| | Residual | 37,144 | 27 | 1,364 | | |
| | Total | 61,200 | 35 | | | |

a. Dependent Variable: Transparency
b. Predictors: (Constant), Monitoring, Evaluation

From the test results, the value obtained is 8.743 which is greater than 3.35 with a significance of 0.000 because the significance is less than 0.05. So it can be concluded that the hypothesis states that monitoring and evaluation have an influence on the transparency of financial reports.$f_{hitung} f_{tabel}$

## 3.2. DiscussionResearch result

### a. The Effect of Monitoring on Financial Report Transparency

The effect of monitoring on the transparency of financial reports is very significant in the context of the accuracy and credibility of the information conveyed. The monitoring process carried out by related parties aims to ensure that financial reports are prepared and presented to appropriate standards. Through effective monitoring, entities can gain several benefits that support improvement transparency of financial reports. First, by ensuring that all information presented in financial reports is accurate, relevant and reliable, monitoring plays a role in maintaining the integrity of financial reports. Second, the ability to identify potential problems or errors in the preparation of financial reports through the monitoring process provides an opportunity for entities to resolve these problems quickly and effective, thereby reducing the risk of non-transparency. Finally, the existence of a strong monitoring mechanism encourages entities to comply with applicable financial reporting standards, increases regulatory compliance, and ultimately improves the overall quality of transparency of their financial reports. So in theory monitoring can affect the transparency of financial reports.

Based on the results of the t test, it shows that monitoring has a significant effect on the transparency of the financial reports of the Parepare City Regional Development Planning Center (Bappeda). So it can be concluded that the first hypothesis is accepted. This shows that the effect of monitoring is not just ensuring reliability of financial reports, but also promote openness and trust among stakeholders towards the entity. The results of this research are in line with research conducted by Sulistiawan et al., (2018); Safira & Rozak (2020); Wibowo et al., (2020); and Juliani &; Sutra (2021) who found that monitoring had a positive and significant effect on the transparency of financial reports.

### b. The Effect of Evaluation on Financial Report Transparency

Evaluation has an important role in increasing the transparency of an entity's financial reports. The evaluation process, which includes assessing an entity's performance and effectiveness, allows an entity to regularly evaluate the quality of its financial reporting, including its level of transparency. Through systematic evaluation, entities can identify weaknesses or deficiencies in the preparation of financial reports, which can then be corrected to improve the quality of transparency. The positive results of this evaluation also have a significant impact, because they can increase stakeholder confidence in the entity's financial reports. This shows the entity's commitment to improving and increasing the quality of transparency of its financial reports, which in turn can strengthen relationships with stakeholders and build greater trust in the financial information submitted.

Based on the results of the t test which shows that work evaluation has an effect on the transparency of financial reports, it can be concluded that the second hypothesis is accepted. This shows that the influence of evaluation on the transparency of financial reports not only ensures the accuracy of the information, but also strengthens the integrity and credibility of the entity in the eyes of stakeholders. The results of this research are in line with research conducted by Sulistiawan et al., (2018); Safira & Rozak (2020); Wibowo et al., (2020); and Juliani &; Sutra (2021)which shows that there is a significant influence of work evaluation on the transparency of financial reports.

## 4. Conclusion

Based on the comprehensive analysis conducted, it is evident that both monitoring and evaluation play crucial roles in enhancing the transparency of financial reports at the Parepare City Regional Development Planning Agency (Bappeda). The results confirm that effective monitoring ensures the accuracy and reliability of financial information, thereby maintaining the integrity of reports and promoting compliance with standards. Similarly, rigorous evaluation processes contribute significantly by identifying weaknesses and improving overall transparency, which fosters stakeholder confidence and strengthens regulatory compliance. These findings are consistent with prior studies, underscoring the importance of robust monitoring and evaluation mechanisms in fostering transparency within organizational financial practices. However, this study has several limitations that should be acknowledged. Firstly, the research focused exclusively on the context of one regional planning agency, which limits the generalizability of findings across different organizational settings or sectors. Secondly, the reliance on quantitative methods, while providing valuable statistical insights, may have overlooked qualitative aspects that could enrich understanding, such as stakeholder perceptions or organizational culture influences. Future research could address these limitations by incorporating broader samples from diverse organizational contexts and employing mixed-method approaches to provide a more holistic view of the factors influencing financial transparency. Additionally, exploring the long-term impacts of enhanced transparency on organizational performance and stakeholder relationships would further contribute to the body of knowledge in this field. In conclusion, while this study contributes valuable insights into the roles of monitoring and evaluation in financial report transparency, there is ample opportunity for future research to expand on these findings. By addressing the identified limitations and exploring new dimensions, researchers can continue to advance understanding and practices in organizational transparency, thereby supporting improved governance and accountability in public and private sectors alike

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