

An investigation of the effect of accounting controls, budget goal clarity, mental model implementation on accountability of government performance

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ABSTRACT

The research examines the effect of budget goal clarity and accounting control on dependent variable with Mental Model as mediating variable on accountability of city government performance. This research used sample consisting of 66 employees in The Finance Division of City Government Semarang that were managing income and expenditure of state budget (APBD), selected by means of judgment sampling. The hypothesis testing was done by using Warp Partial Least Square 3.0. The partial result of the research indicated, the budget goal clarity, accounting control are factor that affect positively on Accountability of City Government Performance. Simultaneously, it indicated Mental model didn't mediate the relationship between budget goal clarity and accounting control toward accountability of city government performance. Yet, budget goal clarity and accounting control as partial impact to Mental Model. The positive result in budget goal clarity gives the impact for city of government to apply budget stated clearly and specifically. Accounting Control system should be used to facilitate the planning and supervision of the organization. Mental model of the operational officers do not reflect operational processes in various environments. This is due to the fact that most of the budget has been set with the existing systems that is standardized by LAKIP, so it cannot be flexible adjustment in various environments.

ABSTRAK

Penelitian ini menguji pengaruh kejelasan sasaran anggaran dan pengendalian akuntansi terhadap variabel dependen dengan Mental Model sebagai variabel mediasi pada akuntabilitas kinerja pemerintah kota. Penelitian ini menggunakan sampel yang terdiri dari 66 karyawan di Divisi Keuangan Pemerintah Kota Semarang yang mengelola pendapatan dan pengeluaran dari anggaran daerah (APBD), diambil dengan judgment sampling. Pengujian hipotesis dilakukan menggunakan Warp Partial 3.0 Least Square. Secara parsial, penelitian menunjukkan, kejelasan sasaran anggaran, pengendalian akuntansi mempengaruhi secara positif pada Akuntabilitas Kinerja Pemerintah Kota. Secara simultan, Mental Model tidak memediasi hubungan antara kejelasan sasaran anggaran dan pengendalian akuntansi terhadap akuntabilitas kinerja pemerintah kota. Namun, kejelasan sasaran anggaran dan pengendalian akuntansi sebagai dampak parsial pada Mental Model. Hasil positif pada kejelasan sasaran anggaran memberikan dampak terhadap pemerintah kota untuk menerapkan anggaran yang dinyatakan secara jelas dan spesifik. Sistem pengendalian akuntansi harus digunakan untuk memfasilitasi perencanaan dan pengawasan organisasi. Mental model pegawai operasional tidak mencerminkan proses operasional di berbagai lingkungan. Hal ini disebabkan adanya fakta bahwa sebagian besar anggaran telah ditetapkan dengan sistem yang ada dan sudah distandarkan oleh LAKIP, sehingga tidak bisa ada fleksibilitas penyesuaian di berbagai lingkungan.

1. INTRODUCTION

Nowadays, in the reform era, budget transparency

is required in various sectors including government sector as they are trusted to manage public finance.

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Transparency and accountability are compulsory but it has become extremely difficult to predict events in the future. Therefore, a planning process to achieve organizational goals is a crucial problem (Chenhall and Smith 2003). The budget needed to coordinate between superiors and subordinates in order to compete in an ever-changing environmental condition.

Budget is a document or political contract between government and local parliaments for the foreseeable future (Mardiasmo 2002). Furthermore, local parliaments should monitor and control the performance of the government through the budget. Therefore, the regional budget should be a benchmark for the achievement of the expected performance. Thus, the local budget planning must be able to describe clear performance targets. Kenis (1979) argues that the goal clarity budget illustrates the budget of explicit and specific, and those were understood by the parties that they are responsible for their achievement.

Bastian (2001) mentions, the budget is a tool for preventing information asymmetry and dysfunctional behavior of local government agencies, as well as an accountability process. Assignments and responsibilities of the top management level to the lower level will bring the growing consequences of lower managers responsible for implementing the decisions is made. Decentralization is defined as the practice of delegating decision-making authority to lower levels within an organization (Hansen and Mowen 2000). To ensure good the budget is necessary to control carefully. The increasing performance is expected after the decentralization of decision-making operations that it adopt accounting controls.

According to Abdullah (2005) the context of decentralization, delegation of authority responsibilities are the role of the regional heads of working (SKPD) underneath at least get two important things when it is applying accounting control system. First, speed up and improve the quality of decision-making processes that it was made the head SKPD. Second, the use of accounting control system allows the head of SKPD to make better decisions and perform control operations more efficiently and effectively.

Winata & Mia(2005) point out that 'from an individual employee's point of view, budgetary participation is the process of developing an individual's mental and emotional feelings that provide them with ownership of their decisions'. However, the study in seeking of the development of mental model is relative new and it still provides wide

discussion in the management accounting study. So far, Hall (2011) has attempted to investigate the influence of mental model help to stimulate their performance using comprehensive performance measurement system. In addition, similar to Groen et al. (2012) in this study, the researchers investigate the participation of employees in budgeting at the operational level in the organization rather than senior managers as 'employees know great deal about operational processes and the data that are generated, making it important to use their knowledge to develop and implement' business strategy (p. 121). Furthermore, the role of employees in service sector is highly important. Thus, based on this point of view, the researchers attempt to investigate the extent to which the mental model help managers participate in budgeting in their job performance.

Some studies related to the budget goal clarity have been done by several researchers such as, Kenis, (1979) examined the effect of the characteristics of the budget of the attitudes associated with the job-related attitudes and managerial performance. The result was that the budget goal clarity has a positive and significant impact on job-related attitudes and budget-related attitudes, also to managerial performance. Herawaty (2011) also examined the Local Government Institution Performance Accountability has a significant and positive effect simultaneously on budget goal clarity, accounting controls, and reporting systems toward performance accountability Government agencies in Jambi. While the research results from Nuraini (2012) with the same variables as partially accounting controls significant positive effect on performance accountability of government agencies. Darma (2004) also examined the same thing where there is a variable of organizational commitment. The result of the study Darma (2014) is the budget goal clarity and accounting control system has a significant and positive effect on performance enhancement managerial government of Yogyakarta province, and also Noor (2011), Puspaningsih (2004) and Anjarwati (2012) found a positive relationship between the clarity of the budget and Managerial Performance.

However, another problem arises since is one of the issues that investigate research many researchers, which is the search for a possible answer to the question: why some organizations are successful while many others are not. One of the possible answers to this question can be the difference of mental models of entrepreneurs or managers, on their interrelation with other dimensions of analy-

sis. This research presents major contribution. The major contribution is the proposal of a theoretical model based from the literature review the purpose of the dimensions of the manager's mindset about the performance of your business. This study aims to take a major step in the expansion of ways to better understand this issue, evolving the existing knowledge around the subject.

The previous studies of Toni and Milan (2008) identified those mental models as a way to view the world, as thinking or image rooted in people's minds in which they influence people's behavior. Therefore, the identification of the characteristics or basic dimensions of mental models of entrepreneurs stands out as an important topic of research that can help you better understand the difference in performance of organizations. Toni et al. (2014) also examine the seven hypotheses. This study presents seven basic dimensions that can drive better mental models of entrepreneurs to a better performance of their organizations, they are: the knowledge, the ability, the mind, the linear relationship, mission and business strategy, creativity and vocation (to undertake). Concludes that mental model with dimensions knowledge, mission, and business strategy, creativity, and vocation to undertake are positive related with performance of organization, and the hypotheses mental model relating to Emotional Skill dimensions, Linear Mind and Relationship were not supported by performance organization.

This study attempts to extend previous studies. The difference is that his present study examines the effect of budget goal clarity and accounting control on Accountability of government performance. In addition, it adds mental model as intervening variable and only object focuses on city government. Thus, it focuses on this government agency because performance and accountability of the government report is often related to greater intellectual capital assets. This highlights that the mental models of the managers who are not the only factors that impact the performance of their organizations. However, the ways in which mental models are presented and interact, indicate the need for organizations to increasingly work in the sense of valuing people, focusing on its resources and in particular in human resources or intellectual capital in budgeting process.

From the above background it is needed a system that it can maintain accountability. We can see from the rules and control budget, actors who do budgeting and by describing Mental Models are expected to influence the budgeting process

more effective and better. it will be carried out research to find empirical evidence regarding the goal clarity and the effect of budget, accounting control and mental model on the government institution performance and accountability in Semarang

2. THEORETICAL FRAMEWORK AND HYPOTHESES

Budget Goal Clarity

Budget goal clarity is compatibility between the views of top management with a view of the bottom line managers (Anthony and Vijay 2000). The existing budget on Local Government is known as APBD (Local Revenue and Expenditure Budget). According to Bastian (2006), APBD is a work plan in the form of local government units of money for a period of one year and goal oriented public welfare. Abdullah (2005) argues that the goals and objectives of APBD must be adjusted to the following five criteria.

1. Specific, meaning that the target to be achieved must be formulated specifically and clearly, does not give rise to varying interpretations. The target must be able to inspire the working unit in formulating a strategy or their action best.
2. Measured, meaning that the target must be expressed in units of a certain size, so it can easier facilitate the assessment of the level of achievement.
3. Challenging but realistic, meaning that the target must be challenging to achieve, yet still realistic and achievable.
4. Oriented in the final result, which means that the target should be focused on the end result or the effect to be achieved, rather than on the process or how to achieve it, and
5. Have a time limit, which means that the target should be clearly determine when the result or effect of the stipulated final will be achieved.

Accounting Control

Accounting control system emphasizes on preventive measures to reduce mistakes either inadvertently or not (Anthony and Vijay 2000). According to Generally Accepted Accounting Standards (2001), internal control is a process that it is run by a board of directors, management and other personnel. These entities are designed to provide reasonable assurance of achieving the following three groups such as the reliability of financial reporting, the effectiveness and efficiency of operations, compliance with laws and regulations.

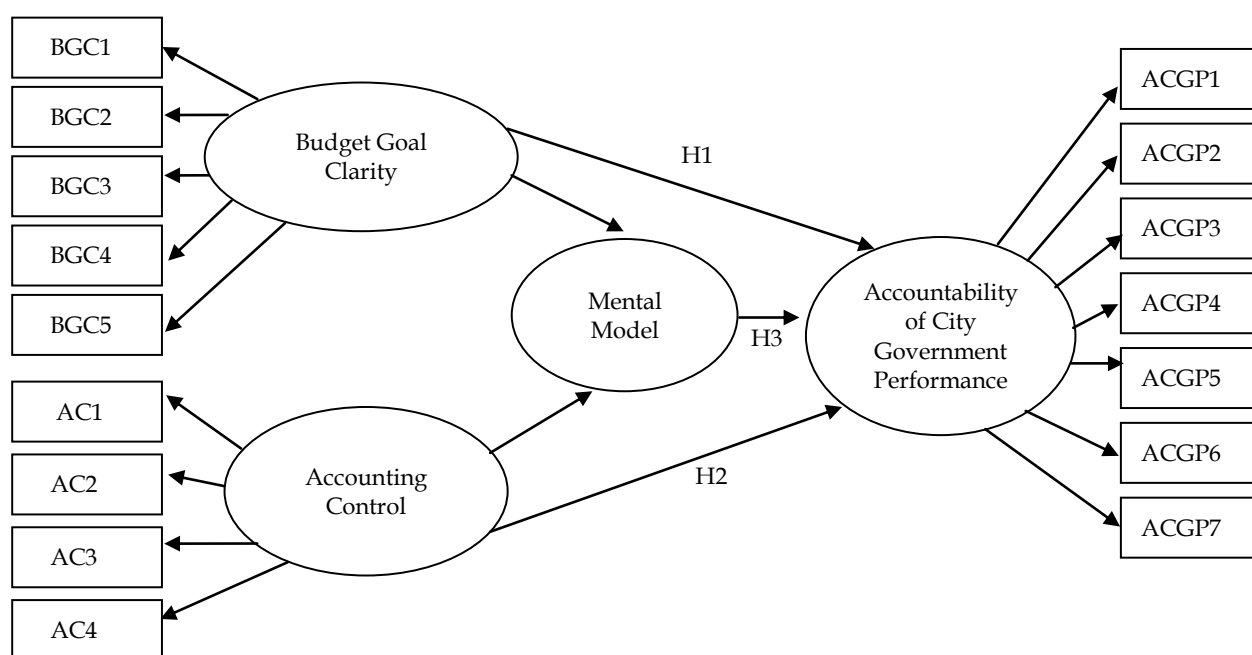


Figure 1
Theoretical Framework

Mental Model

Mental Models owned by managers who have high organizational commitment can constitute psychological tools in running his organization to the achievement of the expected performance (Wentzel 2002). Individuals obtain and interpret information and learn by updating their mental models. Mental models are the interpretive schemes or cognitive models of the world on which managers rely in order to understand various environments (Choe 2004). Hall (2011) investigated the influence of mental models on stimulating their performance by using a comprehensive performance measurement system.

The type of feedback provided from Management Control System is important because the nature and quality of the information that managers receive affects the confirmation and building of managers' mental models (Vandenbosch and Higgins 1996). In this study, the nature and quality of the information that managers receive from Management Control System is represented by comprehensive Performance Measurement System or PMS (Hall 2008). A comprehensive PMS is one that provides performance measures that describe the important parts of the SBU's operations and integrates measures with strategy and across the value chain.

Accountability of City Government Performance

According Mardiasmo (2002) the fiduciary obligation is to provide accountability, presenting, report-

ing and disclose all activities and the activities which it is to be responsible with the mandate and have the right and authority to require their responsibility. Accountability of Government Performance is the embodiment of the obligation of a government agency to account for the success and failure of the mission of the organization in achieving its goals and objectives that it have been established through periodic accountability system (Regulation No. 54/2010) and (Regulation of the Minister of State for Administrative Reform and Bureaucratic Reform No: 29 / 2010).

Accountability is the government's responsibility on activities they carry out within one year that must be compiled with the good reporting. Accountability Report of Government Agencies performance is often referred LAKIP. It is a form of real commitment in building a good system Government Performance Accountability (SAKIP). The Theoretical Framework of the Research Model is presented in Figure 1.

Hypotheses Development

Budget goal clarity reflects the extent to which the targeted budget stated specifically, clearly, and can be understood by those responsible for achieving it (Kenis 1979). The target which is unclear will lead to uncertainty by the executors and lead to the decreased performance. This means also to decrease the accountability of the organization's performance. On the contrary, if the budget goal clarity is

clearly stated, the accountability of the performance of government agencies can increase.

The study by Anjarwati (2012), Noor (2011) presented a study on the effects of budget goal clarity on the accountability performance of government agencies, has a significant positive effect. From the above description of the conceptual framework, hence as reflected in the following hypothesis:

H1: Budget Goal Clarity has a positive and significant effect on the Accountability of City Government Performance

To avoid any irregularities that may occur or may be carried out by unscrupulous - certain elements, in the accountability process requires a control. Anthony and Vijay (2000) stated that in order the performance is increase expected, We can implement decentralization, decision making operation should adopt accounting controls necessary. The use of accounting control system is to facilitate the planning and supervision of the activities and performance of the organization.

Economical, efficient, and effectiveness of local government services to the public is an indicator of local government performance. The achievement of these indicators is an achievement that can improve the quality of performance accountability of local government agencies concerned. Nuraini research (2011) gives the results of the budget goal clarity, accounting control, and reporting system effect to Performance Accountability in Brebes. It showed partially the accounting control has a positive and significant effect on performance accountability of government agencies. From the above description of the conceptual framework, the hypothesis is stated as follows:

H2: Accounting Control has a positive and significant effect on Accountability of City Government Performance.

Winata & Mia(2005) point out that from an individual employee's point of view, budgetary participation is the process of developing an individual's mental and emotional feelings that provide them with ownership of their decision. To the best of our knowledge that Hall(2011) attempt to investigate the influence of mental model help to stimulate their performance using comprehensive performance measurement system. In addition, similar to Groen et al. (2012) in this study the researchers investigate budgeting participation of employee at the operational level in the organization rather than senior managers as the employees know great deal about operational processes and the data that are generated. It made it important to use their knowledge to develop and implement business strategy (p. 121).

Thus, based on this point of view, we attempt to investigate the extent to which the mental model help managers in their participation on budgeting goal clarity, Accounting Control enhance their Accountability of City Government performance.

Herawaty (2011) studied the local government institution performance accountability in Jambi with significant positive research results simultaneously influence budget goal clarity, accounting control, and reporting systems toward performance accountability Government agencies in Jambi. The results of the study Darma (2014) is that the budget goal clarity and accounting control systems have a significant and positive effect on performance of the government management in Yogyakarta province. Toni et all (2014) concludes that mental model with dimensions knowledge, mission and business strategy, creativity and vocation have an effect on the performance of organization.

From the above description, the hypothesis is stated as follows:

H3a: There is a relationship between Budget Goal Clarity and Accountability of City Government Performance with Mental Model as Mediating Variable.

H3b: There is relationship between the Accounting Control and Accountability of City Government Performance with Mental Model as Mediating Variable.

3. RESEARCH METHOD

Population, Sample, and Sampling Technique

Population and Sample

The population in this study is a financial division that manages the Budget Revenue Expenditure in Semarang City Government Agencies. From the population, sampling was done with judgment sampling method, the sampling is based on estimates of researchers, as for sampling in this study were taken with 4 finance sections on each agency with one person of chief financial officer and three people in finance department staff, since it was estimated that part finance division know about the variables that exist in this study (budget goal clarity, accounting control, accountability of performance). The data collection uses purposive sampling method with the level of response rate of 57% provides 66 samples

Research Variables

Dependent Variable

The dependent variable is a variable type that is described or affected by the independent variable (Indriantoro and Supomo 2009).

Accountability of City Government Performance

The accountability of city government performance was collected by using questionnaires with seven-point statement by Mardiasmo (2002). The 7 point describes honesty accountability, legal accountability, process accountability, program accountability, accountability policy. The measurement uses an ordinal scale of 1 to 5, where a score of 1 Showed low government performance and 5 shows the high government performance.

Independent Variable

The Independent variable is the variable types that is described or affected by other variables (Indriantoro and Supomo 2009). The independent variables in this study are Budget Good Clarity, Accounting Control, and Mental Model.

Budget Goal Clarity

The variable of budget goal clarity was measured using a questionnaire with five point statement by Kenis (1979) which was adjusted by Abdullah (2005) which is about budget targets outlined in clear, specific and unambiguous and the importance of budget for the action. The measurement used an ordinal scale of 1 to 5, where a score of 1 indicates a low Clarity Budget Targets and a score of 5 indicates a high Clarity budget targets.

Accounting Control

The accounting control variable was measured using a questionnaire with four point statement referring to Anthony and Vijay (2000), which is the basis for a decision to do controlling such as Activity Center, Scope, Purpose, Structure nature, nature information, people involved, Source science, Scope of time. The measurement is using ordinal scale of 1 to 5, where a score of 1 indicates a low Control of Accounting and a score of 5 indicates a high Accounting Control

Mental Model

Mental Model variable was measured also using questionnaires of Choe (2004) with 4 grains namely the cognitive models of the world on which managers as decision maker in budgeting process by considering various environments. Toni et al. (2014) present seven basic dimensions that can drive better mental models of managers to a better performance of their organizations, they are: the knowledge, the ability, the mind, the linear relationship, mission and business strategy, creativity and vocation (to undertake). The measurement is using ordinal scale of 1 to 5, where a score of 1 indicates a

low Mental Models and a score of 5 indicates a high Mental Model

Data Collection

The data were the primary data collected by means of survey and questionnaires. Data using the questionnaires were collected directly from the respondents and by asking them questions in the questionnaires.

Method of Data Analysis

The data were tested such as the reliability and validity. The aim of checking is to find the consistency and accuracy of data that's already been collected by the instrument. Next, the hypothesis will be evaluated by Path Analysis or Structural Equation Modeling Analysis (SEM) with Wrap Partial Least Square (PLS) verse 3.0 method as an alternative method, software Wrap PLS verse 3. PLS is a powerful analysis method because it was not based on many assumptions. Data were measured using the exact scale, few numbers of samples, appropriate to purpose prediction in high complexity and low support of the theory, (Ghozali 2006). Hypothesis 1, 2, and 3 will be answered by estimate PLS parameter such as the following:

Outer Model Measurement

The outer model of the indicator evaluation is reflected with convergent and discriminant validity from their indicator and composite reliability for block indicator. Rules for receiving and reject of hypothesis are: convergent validity will be calculated based on correlation between component score and construct score which will be counted by PLS by watching the outer loading of each indicators and their significance value. Reflexive measurement will be indicated high if the correlation with constructing that be measured more than 0.70. Loading value that be suggested is more than 0, 50 (positive) and p significance < 0.05. The indicators that are lowers than standard must be dropped from models and then evaluated again. A Good Discriminant Validity is when being measured by comparison with AVE root from every constructs must be bigger than the correlation value among its constructs in the model (Fornell and Larcker 1981).

To Measure Inner Model or Structural

Inner model describes the connection among latent variable based on its substantive theory. The model formulation can be written as the following:

$$\eta = \gamma BGC \xi_1 + \gamma AC \xi_2 + \gamma MM \xi_3 + \zeta. \quad (1)$$

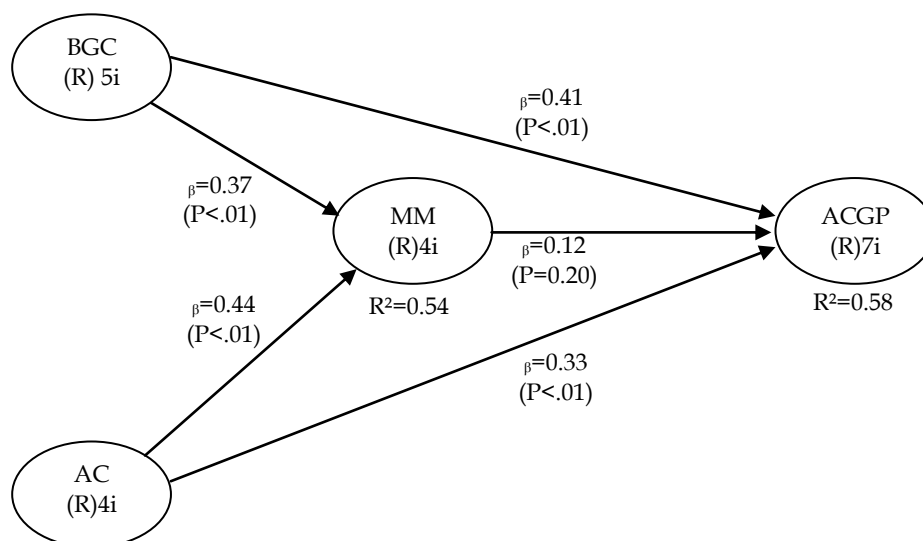


Figure 2
The Result of Outer Model for All Variables

Explanation:

η (*eta*) = latent variable endogenous (dependent) is the Accountability of City Government Performance.
 ξ_1 = latent exogenous variable (independent) Budget Goal Clarity

ξ_2 = latent exogenous variable (independent) Accounting Control

ξ_3 = latent exogenous variable (independent) Mental Model

ζ (*zeta*) = error in the formulation is between exogenous Variable and endogenous Variable toward Endogenous Variable.

γ (*gamma*) = direct connection exogenous Variable with endogenous Variable.

Inner model is used to see the connection between construct, significant value, and R-square value. The relationship among the constructs can be seen from the result of coefficient path parameter model structurally dependent, Stone-Geysers Q-square test for predictive relevance and test t and significant. From the coefficient parameter structural line (Ghozali 2006).

The alternative hypothesis (H_A) can be accepted when the path parameter value among other variable indicates positive direction on the significant level $p < 0, 01$. Just the opposite, H_0 value can be received when path parameter connection among latent variable indicates negative direction. The change of R-square can be used to measure impact of independent latent variable to dependent latent variable, is it has substantive impact.

4. DATA ANALYSIS AND DISCUSSION

Descriptive Statistics

Description of Object Research

The object of this study illustrates the respondent

condition of financial division in the Semarang City Government that is shown descriptively. Employee financial division in Semarang City Government majority is women. The majority of respondents in this study were employees aged between 31-40 years who have work experience between 1-10 years and graduate S1.

Result of Hypothesis Testing

In this research, there are 3 hypotheses that are tested by SEM-PLS with Warp PLS 3.0 (Sholihin and Ratmono 2013).

Testing of the First Hypothesis

Outer Model and Inner Model Testing

The result of outer model for the whole variables such as BGC, AC, MM, ACGP show reliable loading value that is higher than 0.50 and $p \text{ sig} < 0.05$, that can be seen in Figure 2.

Output of Correlations among Latent Variables

The output is essential for the validity of research discriminant. The whole model which has been estimated fills discriminant validity criteria, as appeared in Table 1. The output Correlations among Latent Variables shows that the AVE root is higher than the correlation among the constructs by its lower value as it is indicated. The example Discriminant validity of construct for the BGC is good because the AVE root is 0.779 that is higher than 0.676, 0.616, and 0.679.

Other testing is reliability from the block indicator that measures are constructed. The result is satisfying composite Reliability with value 0.885 for Budget Goal Clarity and 0.858 for Accounting Controls, 0.78 for Mental Model and 0.911 for Account-

Table 1
The Output Correlations among the Latent Variables

Latent variable correlations				
	BGC	AC	MM	ACGP
BGC	(0.779)	0.676	0.616	0.679
AC	0.676	(0.776)	0.676	0.653
MM	0.616	0.676	(0.802)	0.554
ACGP	0.679	0.653	0.554	(0.771)

Note: Square roots of average variances extracted (AVE's) shown on diagonal.

P value for correlations

	BGC	AC	MM	ACGP
BGC	1.000	<0.001	<0.001	<0.001
AC	<0.001	1.000	<0.001	<0.001
MM	<0.001	<0.001	1.000	<0.001
ACGP	<0.001	<0.001	<0.001	1.000

Source: Primary data processed using Warp PLS 3.0, 2015.

Table 2
Output Latent Variable Coefficients

	BGC	AC	MM	ACGP
R-squared			0.539	0.577
Composite reliab.	0.885	0.858	0.878	0.911
Cronbach's alpha	0.837	0.778	0.814	0.884
Avg. var. extrac	0.606	0.602	0.643	0.595
Full VIF	2.381	2.517	0.030	2.145
Q-squared			0.539	0.577

Source: Primary Data processed using Wrap PLS 3.0, 2015.

tability City Government Performance.

Testing of Inner Model or Testing Model Structural

In Table 2, the R-square value is 0.577 meaning that construct variability of Accountability City Government Performance can be explained by Construct of the Budget Goal Clarity and Accounting Control, Mental Model that is 57.70 %, whereas the rest as 42.30% can be affected by other variable outside the model.

The R-square value is 0.530; it means that the construct variability of the Mental Model can be explained by Construct of the Budget Goal Clarity, Accounting Control as 53.00 %, whereas the rest as 37% may be explained by other variable outside the model. The result of the Path coefficient and P values is the significance indicator as seen in the output in Table 3.

The Test of the relationship among the constructs indicate that Budget Goal Clarity construct affects the Accountability of City Government Performance that is at 0.41 significance at $p < 0.01$, whereas Accounting Control construct affects the

Accountability of City Government Performance as 0.33 significance at $p < 0.01$, Budget Goal Clarity construct affects the Mental Model as 0.37 significance at $p < 0.01$, Accounting Control construct impacts to Mental Model as 0.44 significance at $p < 0.01$.

However, the Mental Model does not affect the Accountability of City Government Performance, the result shows the coefficient 0.12 that is not significant because $p = 0.20$ ($p > 0.01$). This value shows that Budget Goal Clarity, Accounting Control affects the Accountability of City Government Performance. Generally, and the Mental Model did not mediate the relationship between Budget Goal Clarity (BGC) effect on Accountability of City Government Performance (ACGP) and Mental Model did not mediate the Accounting Control effect on the Accountability of City Government Performance.

Discussion

Hypothesis 1: Budget Goal Clarity has a significant effect on the Accountability City Government Performance.

Table 3
Output Path Coefficient and P values

Path coefficients	BGC	AC	MM	ACGP
BGC				
AC				
MM	0.371	0.436		
ACGP	0.408	0.329	0.117	
P values				
	BGC	AC	MM	ACGP
BGC				
AC				
MM	0.003	<0.001		
ACGP	0.003	0.009	0.201	

Source : Primary Data processed using Wrap PLS 3.0, 2015.

The output of Path coefficient and P values are presented in Table 3 where relationship test among the constructs can be concluded that the Budget Goal Clarity affects the Accountability City Government Performance as 0.41 with its significance at $p < 0.01$. Hypothesis 1 is accepted, meaning that higher Budget Goal Clarity of company affects the Accountability City Government Performance. This finding supports the findings by Anjarwati (2012) and Nuraini (2012) which determines a significant relationship between Budget Goal Clarity with Accountability City Government Performance. In this case, the Government of Semarang has been good condition that the clarity of its budget is used as a tool for preventing information asymmetry and dysfunctional behavior of local government agencies, as well as an accountability process. Hypothesis 2: Accounting Control has a significant effect on Accountability of City Government Performance.

The result of outer and inner testing can be seen in Table 3 where the relationship among the constructs can be concluded that the Accounting Control construct affects the Accountability of City Government Performance as 0.33 with significance at $p < 0.01$. That value can be purposed that generally second hypothesis is received. Accounting Control impacts to Accountability of City Government Performance.

It can be concluded that company control of operations by setting standards operating procedures based on the rules and difference analysis. It is used as a decision making tool very often used in the Finance Division of City Government Semarang. Audit or internal inspection is often used as the basis for decision-making tools. Determination of budget targets is used as the basis for decision

making tools are often implemented in the preparation of the budget. Plans short term and long term use as the basis for decision-making tools. The results in this study support the research conducted by Nuraini (2012) was able to prove positive effect of Accounting Control toward Accountability of City Government Performance.

Hypothesis 3a: There is a relationship between Budget Goal Clarity and Accountability of City Government Performance with Mental Model as Mediating Variable.

In Table 3, Budget Goal Clarity affects the Mental Model at 0.37 with the significance at $p < 0.01$, but Mental Model cannot impact Accountability of City Government Performance, the result showed coefficient 0.12 not significant because $p = 0.20$ ($p > 0.01$). That value can be interpreted that Budget Goal Clarity cannot affect Accountability of City Government Performance when we use mediating variable Mental Model. In the path coefficient, the Hypothesis BCG-MM-ACP is not supported because path coefficient MM to ACP is not significant (coefficient of 0.12 and $p = 0.20$)

Hypothesis 3b: There is a relationship Accounting Control and Accountability of City Government Performance with Mental Model as Mediating Variable.

In Table 3 shows that Accounting Control impact on the Mental Model is at 0.44 with the significance at $p < 0.01$, but Mental Model cannot affect Accountability of City Government Performance, the result showed coefficient 0.12 not significant because $p = 0.20$ ($p > 0.01$). That value can be interpreted that Accounting Control cannot affect Accountability of City Government Performance when we use mediating variable Mental Model. We can see in path coefficient Hypothesis AC-MM-

ACP are not supported because path coefficient of the Mental Model to Accountability of Government Performance is not significant (coefficient of 0.12 and $p = 0.20$)

Mental Models do not mediate the relationship of other variables because of the condition of the distribution of the data in Semarang government. All Budgeting governance already has a standardized system, so the concept of Mental Model on which managers really understand the various environments was not proved. Budgeting System of Semarang city government is reported in the form of an annual performance that has standard rules stipulated in the document Accountability Report Government Performance (LAKIP). LAKIP can be categorized as routine reports, because LAKIP most are prepared and submitted to the parties concerned once a year. So if there are changes in the financing of field conditions cannot be changed at any time because they have to be adjusted first. Good accounting controls will affect the goodness of accountability of Semarang City Government performance.

On the other hand, Public Accountability benefits the availability of information and disclosure of activities and financial performance of local governments to the central government, DPRD and the public. Local governments should be able to provide information on the activities and financial performance that is required in an accurate, relevant, timely, consistent and reliable. In relation to the accountability, the government needs to pay attention to clarity of purpose budget.

The presence of the delegation of authority is from a centralized system to a decentralized. This means that the administrative area is more complex, there is a necessary distribution of authority at lower management. At the time of the budgeting process needed clarity budget targets that require compatibility between the views of top management to line managers' view. This study presents the dimensions of the mental models to a better performance of their organizations such as the knowledge, the ability, the mind, the linear relationship, mission and business strategy, creativity and vocation (to undertake).

In this case, the reason why the mental model was not influential in the process of achieving clarity of purpose budget is that it was because they still consider the provision of technical knowledge about the historical budget that had been held based on their past experience. But it was not adequate, therefore, the willingness of officers to acquire new knowledge as a basis for consideration of

budgeting is still less. The officer emotional skills, self-confidence in expressing variance budgeting is low. The use of linear thinking and reasoning, collective intelligence, issues of social organization, daily planning budgeting process is still also very low.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

It can be generalized through the discussion and theoretical basis, as the following.

1. Budget Goal Clarity is proved to have significant effect on the Accountability of City Government Performance. The results of this study prove that H1 receives the Budget Goal Clarity affects the Accountability City Government Performance, a These results are consistent with research Anjarwati (2012) and Nuraini (2012).
2. Accounting Control affects the o Accountability of City Government Performance.
3. Mental Model does not affect the Accountability of City Government Performance because the result showed the coefficient at 0.12 that is not significant because $p = 0.20$ ($p > 0.01$). Generally, Mental Model does not mediate the relationship between Budget Goal Clarity (BGC) and Accountability of City Government Performance (ACGP) and also it does not either mediate between Accounting Control and Accountability of City Government Performance. This is due to the fact that the budgeting system in Semarang City Government is standardized by LAKIP that cannot be in a flexible adjustment for various environments.
4. R-square value as 0.58, in which it means that the variability of Accountability of City Government Performance can be explained by Construct Budget Goal Clarity (BGC), Accounting Control (AC), Mental Mode (MM) at 58.00 %, whereas the rest as 42.00% should be by other variables outside the model.

Theoretically, it can be implied as the following.

1. The mental models of the managers is not the only factor affecting the performance of their organizations, however, the ways in which mental models are presented indicate the need for organizations to increasingly work in the sense of valuing people, focusing on its resources and in particular in human resources or intellectual capital. It is expected that that this study can stimulate further research in the area capable of understanding and supporting the importance of mental models in the strategic direction and performance of organizations.

This research as agenda for next research:

1. Mental Model did not mediate the relationship between Budget Goal Clarity (BGC) and Accountability of City Government Performance (ACGP) and between Accounting Control and Accountability of City Government Performance. This is due to the fact that the budgeting system in Semarang City Government is standardized by LAKIP that cannot be a flexible adjustment for various environments. For that reason, in the future, other objects or variables such as business strategy, Goal Setting, information asymmetry, Organizational culture, Information Management System, Perceive Environment Uncertainty can be included for finding the right model in the estimation of Company Performance.
2. The researchers can then perform the sampling method with other methods such as random sampling and purposive sampling in order to obtain a larger number of samples.

Based on the conclusion, it is advisable that further research to do as the following.

1. In this case, the mental models are not so influential in the process of Achieving clarity of the purpose for the budget. It should consider historical budget knowledge and current knowledge as based budgeting process.
2. They should consider skills such as the emotional control, self-confidence when expressing and analyzing variance budgeting. Also, they have to improve skills in linear thinking, collective intelligence, and daily planning budgeting process to increase Accountability of Semarang government performance.
3. All procedures and rules of government are set up in LAKIP. The Mental Model as moderating variable is less influential as in the data distribution, in which the models will have a very significant effect on the company that it has profit-oriented, because the role of the manager is very predominantly with the mental model that influences the decision makers to decide. The mindset of managers will be affected by the Mental Model which is the interpretive schemes or cognitive models of the world in which they just rely on, in order to understand various environments. Thus, the object of research is more precise on company profit oriented where Manager in determining budget policy is more flexible because it is adapted to the changing environment when for achieving better performance accountability.
4. For those interested in further research, they are

suggested to examine the same issue; it is recommended that they investigate other variables that affect the performance obtained in the accountability of government agencies in a broader scale, by using other methods such as interviews and observations so as to improve the quality of the data.

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APPENDICES

Evaluating Quality of Data

Output Latent Variable Coefficients

From Table 4 is known that Q-squared upper than 0, it means our model have good predictor validity (mention 0.539 and 0.577). Reliability instrument measurement such as Cronbach value Alpha and Composite reliability were expressed by four variables for each instrument have value upper than 0.70, so the data is reliable.

Table 4
Output of Latent Variable Coefficients

	BGC	AC	MM	ACGP
R-squared			0.539	0.577
Composite reliab.	0.885	0.858	0.878	0.911
Cronbach's alpha	0.837	0.778	0.814	0.884
Avg. var. extrac	0.606	0.602	0.643	0.595
Full collin. VIF	2.381	2.517	0.030	2.145
Q-squared			0.539	0.577

Source: Primary data processed by Warp PLS 3.0, 2015.

Table 5
Output of Combined Loading and Cross-Loadings

	BGC	AC	MM	ACGP	SE	P value
BGC1	(0.826)	-0.015	-0.144	-0.128	0.090	<0.001
BGC2	(0.816)	-0.159	0.102	-0.125	0.101	<0.001
BGC3	(0.736)	-0.183	-0.065	0.146	0.100	<0.001
BGC4	(0.768)	0.452	-0.219	0.061	0.130	<0.001
BGC5	(0.742)	-0.095	0.339	0.072	0.125	<0.001
AC1	-0.256	0.703	0.461	-0.152	0.118	<0.001
AC2	0.204	0.792	-0.166	-0.044	0.116	<0.001
AC3	0.030	0.799	0.111	0.220	0.115	<0.001
AC4	-0.006	0.805	-0.349	-0.042	0.088	<0.001
MM1	0.082	0.046	0.791	-0.196	0.106	<0.001
MM2	0.096	0.342	0.794	-0.191	0.095	<0.001
MM3	-0.144	-0.189	0.845	0.149	0.081	<0.001
MM4	-0.025	-0.191	0.775	0.232	0.108	<0.001
ACGP1	-0.052	0.239	-0.037	0.884	0.084	<0.001
ACGP2	0.100	0.056	0.004	0.723	0.105	<0.001
ACGP3	0.119	-0.032	0.011	0.808	0.121	<0.001
ACGP4	0.071	0.162	-0.259	0.647	0.116	<0.001
ACGP5	0.178	-0.214	-0.072	0.800	0.095	<0.001
ACGP6	-0.297	0.106	0.166	0.753	0.104	<0.001
ACGP7	-0.115	-0.314	0.158	0.761	0.097	<0.001

Note: P values < 0.05 are desirable for reflective indicators.

Source: Primary data processed by Warp PLS 3.0, 2015.