Research Paper

The Effect of Financial Statement Presentation and Financial Supervision on the Financial Performance of Regional Finance and Assets Agency in North Toraja Regency

Serlin Palembangan, Abd. Rahman Kadir, Andi Kusumawati

With the phenomenon regarding financial performance, researchers want to see the effect of financial statement presentation and financial supervision on local financial performance, whether it is good or not. in North Toraja Regency. In this study, researchers used a research design with associative research methods. The approach used in this research is a quantitative approach. The samples in this study were 46 ASN and TKD employees. The data in this study were obtained by distributing questionnaires. This research was tested using Multiple Lenear Regression Analysis with SPSS application. The results of this study indicate that the Presentation of Financial Statements and Financial Supervision have a significant effect on the Financial Performance of the Regional Financial and Assets Agency of North Toraja Regency.
Keywords: *Presentation of Financial Statements, Financial Supervision, Financial Performance.*

I. INTRODUCTION

In today's era, the many developments and advancements due to the advancement of technology and the many new discoveries, as well as the increasingly open economy between countries, have caused so many interrelated and conflicting interests. This causes the government to be increasingly needed in regulating the running of the economic system, because not all sectors of the economy can be fully handled by the private sector.

The government is an organization that is given the power to regulate and manage the interests of the nation and state. The government as a public sector organization has the main task of creating public welfare. The government's goal is to provide services to the community and improve these services in the future.

Local government financial reports have the obligation to provide accountability, present, report, and disclose all activities and activities that are the responsibility of the government to interested parties who have the right and authority to hold local government financial reports accountable.

According to Government Regulation Number 71 of 2010, financial statements are structured reports regarding the statement of financial position and transactions carried out by a reporting entity. The presentation of regional financial statements is a form of accountability for state and regional financial management regarding the statement of financial position and transactions carried out by a reporting entity.The general purpose of financial statements is to present information about the financial position, budget realization, excess budget balance, cash flow, results of operations and changes in equity of a reporting entity that is useful for users in making and evaluating decisions regarding resource allocation (Siti Aliyah and Aida Nahar 2012).

The regional government as the party given the task of running the government, development and public services is required to report regional financial accountability on the basis of evaluating its financial performance. The assessment of the financial performance of the local government (Pemda) is very different from the assessment of the financial performance of the agency. Apart from being budget-based, local government finances do not have the objective of maximizing profits or net income, although there is a term surplus or deficit for the difference between income and expenditure. The main factors include regional revenues, regional expenditures, regional financing, human resources and macroeconomic conditions.

As we know that regional financial management is a whole which includes planning, budgeting, implementation of administration, reporting, accountability and supervision of regional finances. Regional

finances are all regional rights and obligations in the context of administering regional government which can be valued in money and all forms of wealth that can be used as regional property in connection with the rights and obligations of the region. Regional Finance, apart from being regulated by government regulations, also follows ministerial regulations and regional finances also follow the Law on the State Revenue and Expenditure Budget which is stipulated annually and the regional income and expenditure budgets of each region are systematically and managed.

Apart from the Presentation of Financial Statements, another factor that can affect financial performance is Financial Supervision. Where supervision is important in an effort to ensure an activity is carried out in accordance with the plan to be achieved. Supervision is one of the management functions. Financial supervision is one of the management functions that must be carried out properly in the implementation of government activities. The implementation of regional financial supervision can be a means to find out whether a government agency has managed it properly and correctly. With the implementation of financial supervision, it will help control the implementation of government activities both in the planning, implementation and accountability processes, thereby achieving success in accordance with the plans and laws and regulations that have been set so that it will improve the performance of local governments (Purnama, 2016).

The phenomenon related to the performance of the North Toraja government in terms of financial performance can be seen from the realization of the budget. 1) The 2020 regional budget realization report on the financing allocation item obtained an efficiency ratio of 6.38%. (Budget Realization Report of Regional Financial Management Official for North Toraja Regency 2020). This shows that the performance of the North Toraja Regency government in the financial sector for that period has been maximized because in terms of the realization of regional revenues and the realization of regional expenditures on financing items, it is very efficient with the provision that the efficiency ratio value of 0-20% indicates that the budget is very efficient. 2) The 2020 Regional Budget Realization Report, the regional revenue budget from grant income obtained an effectiveness ratio of 99.75%. This shows that the performance of the North Toraja Regency government in the financial sector for that period has been maximized because in terms of the regional revenue budget and the realization of regional income from effective grant revenues, if the effectiveness ratio value is more than 90% - 100%, it indicates that the budget is effective.

From the results of research observations, one of the phenomena that emerges from these weaknesses is the performance of local governments in managing and accounting for their financial performance. Government financial statement in Indonesia are an interesting subject to study, given the increasing demands for accountability on public institutions, both at the central and regional levels. Regional Finance and Assets Agency (BKAD) of North Toraja Regency which reflects work performance in managing its financial performance.

II.   LITERATURE REVIEW

2.1.   Agency Theory
An agency relationship is a contract in which one or more (principals) hire another person (agent) to perform some services to delegate some decision-making authority to agents (Jensen and Meckling, 1976 in Hehanussa, 2015). Problems related to the quality of financial statement are often caused by a conflict of interest between the interests of management and the interests of stakeholders. Management does not always act in the interests of stakeholders, but management often acts to maximize their welfare and secure their position regardless of the harm posed to other stakeholders, such as employees, investors, creditors and society.

2.2.   Signalling Theory
Signalling theory is the development of agency theory where this theory is related to the relationship between management and recipients of information which shows an asymmetry between the company's management and interested parties, related to the information issued. The basis of signal theory is the imbalance in the acquisition of information which is the reason for management to disclose information through financial statements. Imbalance of information can occur between two external conditions, namely the difference in information that is small so it does not affect management, or a very significant difference so that it can affect management (Sartono, 2002).

2.3.   Financial Statement
Financial statement of public sector organizations are an important component for creating public sector accountability. The increasing demands for the implementation of public accountability have implications for public sector management for public sector management to provide information to the public, one of which is accounting information in the form of financial statement (Mardiasmo, 2002).

2.4.   Financial Supervision

According to the Minister of Home Affairs Regulation No. 51 of 2010 concerning guidelines for the supervision of regional government administration in 2011, Regional Financial Supervision is a process of activities aimed at ensuring that local governments run effectively and efficiently in accordance with the plans and provisions of laws and regulations. Supervision is basically directed entirely to avoid possible deviations or deviations from the objectives to be achieved. Through supervision, it is hoped that it can help implement the policies that have been set to achieve the planned goals effectively and efficiently.

2.5.   Financial Performance

Regional Government Financial Performance is the level of achievement of a work in the area of regional finance which includes the budget and budget realization using financial indicators determined through a policy or statutory provision during the budget period.Public sector organizations, one of which the government is an organization that aims to provide public services to the community as well as possible, for example in the fields of education, health, security, law enforcement, transportation and so on. Public services are provided to the community who are one of the stakeholders of public sector organizations, therefore the Regional Government is obliged to submit an accountability report to the Regional People's Representative Assembly (DPRD) as the people's representative in the government. With this assumption, it can be said that local governments need a performance measurement system that aims to help public managers to assess the achievement of a strategy through financial and non-financial measurement tools.

III.   CONCEPTUAL FRAMEWORK
3.1.   Conceptual Framework
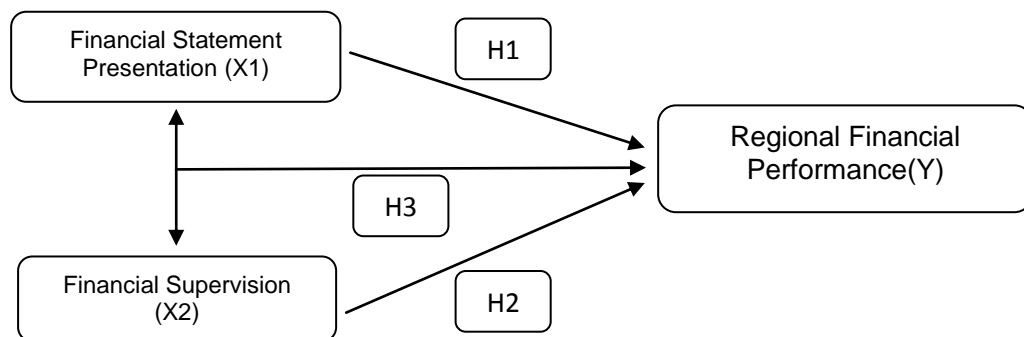
3.2.   Hypothesis
3.2.1.   The Effect of Financial Statement Presentation on Financial Performance of Regional Financial and Assets Agency in North Toraja Regency.
H1: Presentation of Financial Statements Affects the Financial Performance of Regional Financial and Assets Agency in North Toraja Regency

3.2.2.   The Effect of Financial Supervision on Financial Performance of Regional Financial and Assets Agency in North Toraja Regency.
H2: Financial Supervision has an effect on the Financial Performance of the Regional Financial and Asset Agency in North Toraja Regency.

3.2.3.   Financial Statements Presentation and Financial Supervision Effect on the Financial Performance of the Regional Financial and Assets Agency in North Toraja Regency.
H3: Presentation of Financial Statements and Financial Supervision simultaneously affect the Financial Performance of the Regional Financial and Assets Agency in North Toraja Regency.

IV.   RESEARCH METHOD
4.1.   Research Design

This study uses a research design with associative research methods in which the author will try to answer the influence between existing variables. The approach used in this research is a quantitative approach, which aims to test the reliability of a theory which will then produce conclusions. Research testing uses hypothesis testing, which shows the nature of the relationship between the dependent variable and the

independent variable in this study. The research setting is carried out naturally (non-contrived setting) through field research using a survey of respondents. This study uses a cross-sectional time horizon where data is only collected once during the study.

4.2. Research Time and Location
This research was conducted for two months by focusing on the research location, namely North Toraja Regency, at the Regional Finance and Assets Agency (BKAD) office in North Toraja Regency.

4.3. Population and Sample
The population is the entire object of research as a source of data that has certain characteristics in a study (Sugiyono, 2013). The population in this study were all State Civil Apparatus (ASN) employees and Regional Contract Workers (TKD) who were active at the Regional Finance and Assets Office in North Toraja Regency, where there were 21 ASN employees and 25 TKD employees.
The sample in this study was 46 ASN and TKD employees, because the population in this study was not more than 100 populations, the determination of the sample used was all of the population used as respondents in this study.

4.4. Data Types and Sources
1. Data Types
The type of data used in this study is quantitative data in the form of values or scores for the answers given by respondents to the questions in the questionnaire.
2. Data Sources
a. Primary Data
Data obtained directly from the source of the research location or the original source without going through an intermediary. The primary data of this study was obtained by using a questionnaire distributed to respondents at the research location that has been determined.
b. Secondary Data
Data obtained by researchers indirectly through intermediary media (obtained and recorded by other parties). The secondary data of this research was obtained by using the library research method and accessing websites.

4.5. Data Gathering Method
1. Field Research
Field research is research that is carried out directly at the institution under study with a view to obtaining primary data, namely data obtained through:
a. Observation, data gathering technique by observing directly the object of the researcher.
b. Interview, data gathering technique by asking questions orally to research subjects related to the problem under study.
c. Questionnaire, data gathering technique by making a list of questions related to the object under study, given one by one to respondents who are directly related to the object under study.

2. Literature Research
Data gathering technique to obtain secondary data by conducting a literature study in order to obtain a theoretical basis in solving the problem under study. Data from the literature is useful as consideration for data obtained from research.

3. Internet Research
Data gathering technique by collecting data from sites or websites by utilizing the internet network and the site is related to various information needed in the research under study.

The data used in this study is primary data using questionnaire.

4.6. Operational Variable Definition
Presentation of Financial Statements (X1) is a public right that must be granted by the government, both central and local. The public's right to financial information arises as a consequence of the concept of public accountability of the organization's community to provide financial reports as evidence of accountability and management (Mardiasmo, 2012).
Financial Supervision (X2) is one of the management functions that must be carried out properly in the implementation of government activities. The implementation of regional financial supervision can be a means to find out whether a government agency has managed it properly and correctly. With the implementation of

financial supervision, it will help control the implementation of government activities both in the planning, implementation and accountability processes, thereby achieving success in accordance with the plans and laws and regulations that have been set so that it will improve the performance of local governments (Purnama, 2016).

Local government financial performance (Y) is the ability of a region to explore and manage regional original financial sources in meeting their needs to support the running of the government system, service to the community and regional development without being fully dependent on the central government and having the flexibility in using funds. -funds for the benefit of the local community within the limits determined by laws and regulations. (Giftovel Rondonuwu, 2016).

4.7.   Research Instrument

The scale used in this questionnaire is a Likert scale. With the consideration of this analytical tool, which could be better for processing data, the data in which the data is in the form of calculating the correlation coefficient or total score. The level of the size of the scale used is the size of the ordinal scale. In the Likert Scale, the questions are divided into five weights, namely:

a.   Strongly Agree,   weighted = 5
b.   Agree,   weighted = 4
c.   Somewhat Disagree,   weighted = 3
d.   Disagree,   weighted = 2
e.   Strongly Disagree,   weighted = 1

V.   RESEARCH RESULTS

5.1.   Validity and Reliability Test

5.1.1.   Validity Test

According to Siregar (2012) validity shows how far a test or operations measure what it is supposed to measure. In the product moment method, validity analysis (attachment) is carried out on all instrument variables through the help of SPPS 21 IMB.

The basis for decision making (Sugiyono, 2016) are:

1. If rcount > rtable = 0.291 ; then the statement is valid.
2. If rcount < rtable = 0.291 ; then the statement is invalid.

Table 5.1 Validity Test Results

Variable	Question Item	r_{count}	r_{table}	Information
Financial Statement Presentation (X1)	1	0.704	0.291	Valid
	2	0.754	0.291	Valid
	3	0.754	0.291	Valid
	4	0.497	0.291	Valid
	5	0.532	0.291	Valid
	6	0.497	0.291	Valid
	7	0.532	0.291	Valid
	8	0.757	0.291	Valid
	9	0.579	0.291	Valid
	10	0.704	0.291	Valid
	11	0.510	0.291	Valid
	12	0.757	0.291	Valid
Financial Supervision (X2)	1	0.617	0.291	Valid
	2	0.582	0.291	Valid
	3	0.717	0.291	Valid
	4	0.704	0.291	Valid
	5	0.727	0.291	Valid
	6	0.395	0.291	Valid
	7	0.641	0.291	Valid
	8	0.696	0.291	Valid
	9	0.658	0.291	Valid
	10	0.556	0.291	Valid
Financial Performance (Y)	1	0.722	0.291	Valid
	2	0.694	0.291	Valid
	3	0.628	0.291	Valid
	4	0.594	0.291	Valid
	5	0.635	0.291	Valid

6	0.769	0.291	Valid
7	0.710	0.291	Valid
8	0.832	0.291	Valid
9	0.817	0.291	Valid
10	0.683	0.291	Valid

From the results of the calculation of validity, it can be seen that each question from each variable shows the value of rcount > rtable = 0.291. So that the results of the validity test on all questions from each variable are valid.

5.1.2. Reliability Test

The reliability of a measurement shows the stability and consistency of an instrument that measures a concept. Reliability testing is intended to test the same instrument at different times and give the same results. A construct or variable is said to be reliable if it gives a Cronbach Alpha value of ≥0.60 (Sugiyono, 2016). Based on the results of processing using SPSS version 21 (attachment) Cronbach's Alpha for all variables which can be seen in the following table:

Table 5.2 Reliability Test Result

Variable	Cronbach's Alpha	Information
Financial Statement Presentation (X1)	0,905	Reliable
Financial Supervision (X2)	0,876	Reliable
Financial Performance (Y)	0,923	Reliable

Based on the table above, it is known that each variable between the variables of Financial Statement Presentation (X1), Financial Supervision (X2), and Financial Performance (Y) turns out to be Crombach's Alpha value 0.60. Thus, the results of the reliability test on all variables are reliable.

5.2. Respondents' Opinion
5.2.1. Description of respondent's opinion on Financial Statement Presentation (X1)

Table 5.3 Respondent's opinion on Financial Statement Presentation (X1)

No	Statement	Respondents Answer Percentage					Average
		SD	D	SW D	A	SA	
1	Inter-Village Cooperation Agency (BKAD)is able to prepare complete financial reports (budget realization reports, balance sheets, cash flow reports and notes to financial statements)				23	23	4.50
2	BKAD is able to complete financial reports (balance budget realization reports, cash flow reports and notes to financial statements) on time.				25	21	4.46
3	The BKAD Financial Report provides information that can correct past financial activities.				25	21	4.46
4	BKAD Financial Statements provide information that predicts the future based on past and present events.				23	23	4.50
5	The information generated from the financial statements of BKAD has honestly described the transactions that should have been presented in the financial statements.				29	17	4.37
6	If the financial statements are tested more than once by different parties, the results still show conclusions that do not differ much.				23	23	4.50
7	The information contained in the financial statements of BKAD can be compared with the previous period.				29	17	4.37
8	The Financial Report prepared by the BKAD can be used as a benchmark in the preparation of the next year's budget				25	21	4.46
9	Information from BKAD financial reports produced can be understood by users because it is stated in forms and terms that are adjusted to user limits.				27	19	4.41
10	The information generated from the financial				23	23	4.50

	statements of BKAD has honestly described the transactions that should have been presented in the financial statements.					
11	Financial Reports are prepared, intended to provide information for users				25	21	4.46
12	BKAD Financial Statements provide information that can correct future financial activities				25	21	4.46

Based on the table above, it can be seen that the overall indicators for the presentation of financial statements have shown high and very high respondents. The highest responses are statements number 1, 4, 6, and 10, with an average value of 4.50 which is the highest respondent's response and is in the very good category, while the lowest respondent's score is statement no. 5 and 7 with an average value of 4.37. although the value of the respondent's response to this statement is the lowest, this value has entered the good category.

5.2.2. Description of respondent's opinion on Financial Supervision (X2)

Table 5.4 Respondent's opinion on Financial Supervision (X2)

No	Statement	Respondents Answer Percentage					Average
		SD	D	SWD	A	SA	
1	This budget supervision is carried out internally and externally.				25	21	4.48
2	In planning regional financial supervision with the aim of gathering aspirations or desires to establish public policies on APBD				24	22	4.24
3	With budget supervision, it can prevent waste in regional financial management			1	19	26	4.54
4	In the implementation of regional financial supervision, the government evaluates the APBD which is reported in detail.				19	27	4.59
5	In reporting regional financial supervision by evaluating the APBD realization report and notes on financial statements			1	24	21	4.43
6	I play a full role in providing input or advice during budget preparation	1	5	4	29	7	3.78
7	Leaders should assess the performance of subordinates in financial management as often as possible.				23	23	4.50
8	The supervisory board must already know all the policies that have been carried out by the local government				24	22	4.48
9	With the supervisory board, the government's performance can run well and in accordance with the predetermined budget	1			25	20	4.37
10	APBD funds must be utilized as well as possible so that they can improve services and maximum welfare for the benefit of the community.				15	31	4.67

Based on the table above, it can be seen that the overall indicators of Financial Supervision have shown high and very high respondents. The highest response is statement number 10, with an average value of 4.67 which is the highest respondent's response and is in the very good category, while the lowest respondent's value is statement no. 6 with an average score of 3.78. although the value of the respondent's response to this statement is the lowest, this value has entered the good category.

5.2.3. Description of respondent's opinion on Financial Performance (Y)

Table 5.5 Respondent's opinion on Financial Performance (Y)

No	Statement	Respondents Answer Percentage					Average
		SD	D	SWD	A	SA	
1	Financial Management can be carried out in the public interest			2	27	17	4.33
2	The success and failure of an organization in carrying out all its activities must be recorded and measured.				26	20	4.43
3	To restore public confidence in terms of economic, social, and political conditions, namely by providing good services in a transparent and quality manner, as well as effective and efficient services.				22	24	4.52
4	Efficiency of financial management with the lowest use to achieve predetermined objectives.				28	18	4.39
5	Economical financial management with maximum resource input so as to avoid minimal expenses.			1	30	15	4.30
6	Effective financial management where all programs are targeted to achieve the results that have been set and state how				23	23	4.50

	much it will cost to achieve the goals.						
7	Value For Money is a concept of financial management of public sector organizations based on economic, efficient, and effective elements.				32	14	4.30
8	In the performance of government administration, it is said to be good if the work results from an output that can be measured and is responsible for a predetermined time.				24	22	4.48
9	Performance is a description of the level of achievement in the implementation of an activity that is carried out in accordance with standards and full responsibility in providing reports to employers.				24	22	4.48
10	In financial management, every employee in making and compiling financial reports must comply with applicable local standards and regulations.				19	27	4.59

Based on the table above, it can be seen that the overall financial performance indicators have shown high and very high respondents. The highest response is statement number 10, with an average value of 4.59 which is the highest respondent's response and is in the good category, while the lowest respondent's value is statement no. 5 and 7 with an average value of 4.30. although the value of the respondent's response to this statement is the lowest, this value has entered the good category.

5.3.   C
5.4.   Data Analysis Results
5.4.1.   Multiple Linear Regression Analysis

Table 5.6 Multiple Linear Regression Analysis
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.341	5.094		1.245	.220
	Financial Statement Presentation	.380	.146	.397	2.609	.012
	Financial Supervision	.402	.148	.415	2.726	.009

a. Dependent Variable: Financial Performance

From the table above, the Unstandardized Coefficients column shows that the value of Financial Statement Presentation and Financial Supervision is respectively 0.380 for Financial Statement Presentation and 0.402 for Financial Supervision while the Constante parameter value is 6.341.
Based on these values, the multiple regression equations are:

$$Y = 6.341 + 0{,}380\ X1 + 0{,}402\ X2$$

The above equation can be explained as follows:
1)   The value is 6,341 on the Financial Performance variable (Y), if the Financial Statement Presentation variable (X1) and the Financial Supervision variable (X2) the value is 0 (zero)
2)   The value of 0.380 on the financial statement presentation variable (X1), is positive so it can be said that the better the presentation of financial statements, the better the Financial Performance of the Regional Financial and Assets Agency of North Toraja Regency.
3)   The value of 0.402 on the Financial Supervision variable (X2) is positive, so it can be said that the higher the Financial Supervision, the better the Financial Performance of the Regional Financial and Assets Agency of North Toraja Regency.

5.5.   Hypothesis Test
5.5.1.   T Testing
1.   Hypothesis 1
The result of the calculation is that the t-count value for the Financial Statement Presentation variable is 2.609 and by using a significance level of 5%, the t-table is 1.681. Where t table is obtained from dk = n-k (46-3) = 43 (Siregar, 2012) which means that the value of t count is greater than t table, namely 2.609 < 1.681. While the value of sig in the table is 0.012 because sig is smaller or less than 0.05, which indicates that the presentation of financial statements has a positive and significant influence on the financial performance of the regional financial and asset agency of North Toraja Regency. Thus, it can be concluded that the hypothesis which states

that the presentation of financial statements has a positive influence on the financial performance of the regional finance and asset management agency is accepted.

2.   Hypothesis 2

The calculation results obtained that the t-count value for the Financial Supervision variable was 2.762 and by using a significance level of 5%, the t-table was 1.681. Where t table is obtained from dk = n-k (46-3) = 43 (Siregar, 2012) which means that the value of t count is greater than t table, namely 2.762 > 1.681. While the sig value in the table is 0.009 because the sig is smaller or less than 0.05, which shows that Financial Supervision has a positive and significant influence on the Financial Performance of the Regional Financial and Asset Agency of North Toraja Regency. Thus, it can be concluded that the hypothesis which states that Financial Supervision has a positive influence on the Financial Performance of the Regional Financial and Assets Agency of North Toraja Regency is accepted.

5.5.2.   F Testing
1.   Hypothesis 3

Table 5.7 Anova

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	394.418	2	197.209	29.682	.000ᵇ
	Residual	285.690	43	6.644		
	Total	680.109	45			

a. Dependent Variable: Financial Performance
b. Predictors: (Constant), Financial Supervision, Financial Statement Presentation

From the calculation results, it is obtained that the F-count is 29,682 (anova table) and by using the significance level (significant level) of 5%, the F-table value is 3.21. Where the F-table is obtained from df1 = k-1 (3-1) = 2 with df2 = n-k (46-3) = 43 (Siregar, 2012) which means the F-count value is greater than the F-table, which is 29.682 > 3.21. While the sig value in the table of 0.000 is smaller or less than 0.05 indicating that the Presentation of Financial Statements (X1) and the Financial Supervision variable (X2) have a simultaneous or joint effect on the variable Financial Performance of the Financial Services and Regional Assets of North Toraja Regency. (Y) Thus, it can be concluded that the hypothesis which states that Financial Statement Presentation (X1) and Financial Supervision (X2) together have a positive and significant effect on the Financial Performance of the Regional Financial and Assets Agency of North Toraja Regency (Y) can be accepted.

2.   Determination Coefficient

Table 5.8 Model Summary

Model Summaryᵇ

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.762ᵃ	.580	.560	2.578	2.077

a. Predictors: (Constant), Financial Supervision, Financial Statement Presentation
b. Dependent Variable: Financial Performance

The tableabove shows the determination test of the R Square value, which is 0.580, which means that the variable for Presentation of Financial Statements and Financial Supervision can explain the variable Financial Performance of the Regional Finance and Assets Agency of North Toraja Regency by 58.0% and the remaining 42.0% which is a variable that not investigated in this study.

VI.   DISCUSSION

6.1.   The Effect of Financial Statement Presentation on Financial Performance of Regional Financial and Assets Agency in North Toraja Regency.

Hypothesis 1 (H1) of this study shows that the Presentation of Financial Statements has an effect on the Financial Performance of the Regional Finance Agency of North Toraja Regency. This means that if there is an increase in the presentation of financial statements, the effectiveness of the Financial Performance of the Regional Financial Agency of North Toraja Regency will also increase. Supported by regression value testing,

it is known that the regression test results for the Financial Statement Presentation variable on the financial performance of the financial institutions and regional assets of North Toraja Regency show t count = 2.609 with a significance value of 0.012. Where using the value of t table = 1.681 then the value of t arithmetic > t table (2.609 > 1.681) so that (the hypothesis is accepted), thus the Presentation of Financial Statements has a positive and significant effect on the Financial Performance of the Regional Finance and Assets Agency of North Toraja Regency.

The results of this study are in line with the research conducted by Salomi J. Hehanussa (2015) entitled: The Effect of Presentation of Regional Financial Statements and Accessibility of Regional Financial Reports on Accountability of Regional Financial Management (Empirical Study on Ambon City Government). In his research, it was stated that the presentation of regional financial statements had a positive and significant effect on the transparency and accountability of regional financial management. Apart from that, the relevance of the results of this study is in line with the agency theory stated earlier where it is said that the government here acts as a trusted party (agent) who has an obligation to disclose all information needed by stakeholders as information users who act as principals to assess accountability and deciding social, political, and economic policies, whether directly or indirectly involved through their representatives, so that the relationship between the government and the stakeholders (information users) of financial statements can be said to have an agency relationship. And the relation with signaling theory is the importance of providing information that must be given to internal and external parties. The inside party in this case is the government itself while the outside party is the DPRD, the Inspectorate and the Community. Where one type of information issued by the government can be a signal for outsiders, especially for interested parties such as annual reports. Where all users of financial information certainly need information to determine the performance of the local government. So that users of financial information can measure the performance of the government of North Toraja Regency.

6.2. The Effect of Financial Supervision on Financial Performance of Regional Financial and Assets Agency in North Toraja Regency.

Based on the results of statistical analysis in this study, it was found that hypothesis 2 (H2) Financial Supervision has an influence on the Financial Performance of the Regional Finance and Assets Agency of North Toraja Regency. This means that if there is an increase in Financial Supervision, the effectiveness of the Financial Performance of the Regional Financial and Assets Agency of North Toraja Regency will also increase. Supported by regression value testing, it is known that the test results for the Financial Supervision variable on the Financial Performance of the Regional Financial and Assets Agency of North Toraja Regency show the t count = 2.762 with a significance value of 0.009, using the t table value = 1.681 then the t count > t table (2.762 > 1.681) so that (the hypothesis is accepted), thus Financial Supervision has a positive and significant effect on the Financial Performance of the Regional Finance and Assets Agency of North Toraja Regency.

The results obtained from testing the second hypothesis prove that financial supervision can affect the effectiveness of the financial performance of the Regional Finance and Assets Agency of North Toraja Regency. In realizing effective financial performance, strict financial supervision must be carried out so that there are no deviations or errors during carrying out a job.

The results of this study are in line with research conducted by Yohana Maria Vianei Iina Laga (2021) entitled: The Effect of Regional Financial Supervision Accountability and Transparency of Regional Financial Management on the Performance of the Regional Government of East Flores Regency. In his research, it was stated that partially the supervision of regional finances had a positive and significant effect on the performance of the Regional Government of East Flores Regency.

6.3. Financial Statements Presentation and Financial Supervision Effect on the Financial Performance of the Regional Financial and Assets Agency in North Toraja Regency.

The third hypothesis (H3) in this study shows that the Presentation of Financial Statements and Financial Supervision together (simultaneously) affect the Financial Performance of the Regional Finance and Assets Agency of North Toraja Regency. From the calculation results, it is obtained that the F-count is 29,682 (anova table) and by using the significance level (significant level) of 5%, the F-table value is 3.21. Where the F-table is obtained from df1 = k-1 (3-1) = 2 with df2 = n-k (46-3) = 43 (Siregar, 2012) which means the F-count value is greater than the F-table, which is 29.682 > 3.21. While the sig value in the table of 0.000 is smaller or less than 0.05 indicating that the Presentation of Financial Statements (X1) and the Financial Supervision variable (X2) have a simultaneous or joint effect on the variable Financial Performance of the Financial Services and Regional Assets of North Toraja Regency. (Y) Thus, it can be concluded that the hypothesis which states that Financial Statement Presentation (X1) and Financial Supervision (X2) together has a positive and

significant effect on the Financial Performance of the Regional Finance and Assets Agency of North Toraja Regency (Y) can be accepted.

The results of this study indicate that good financial supervision facilitates the presentation of financial reports for users in fact it will be able to improve the financial performance of the Regional Financial and Asset Agency of North Toraja Regency.

The results of the simultaneous test analysis show that the presentation of financial statements and financial supervision together has a significant effect on financial performance. In addition to the Presentation of Financial Statements (X1) and Financial Supervision (X2), other factors are also determined not examined in this study. To achieve maximum financial performance, it is necessary to understand the factors that affect the financial performance. Financial Performance will increase when the influencing factors influence in a harmonious and positive manner.

Financial statements are prepared to provide relevant information about the financial position and all transactions carried out by a reporting entity in a period. Financial statements are mainly used to compare the realization of revenues, expenditures, transfers and financing with a predetermined budget, assess the financial condition, evaluate, the effectiveness and efficiency of a reporting entity and help determine its provisions against the law.

The implementation of the North Toraja Regency Budget in this case, especially the Regional Finance and Assets Agency (BKAD) of North Toraja Regency must make various preparations such as the preparation of an accounting system according to government standards, human resources and the availability of facilities and infrastructure to support the implementation of government activities. Because through the presentation of financial statements and financial supervision, the quality of financial performance is improved. Good quality financial performance is useful to determine the efficiency and effectiveness of public services provided in the management and control of state assets, planning, programming and budgeting.

VII.   CONCLUSION

7.1.   Conclusion

1.   Presentation of Financial Statements has a significant effect on the Financial Performance of the Regional Financial and Assets Agency of North Toraja Regency, meaning that the more effective the Financial Presentation, the better the quality of the effectiveness of the Regional Financial Performance of the Regional Financial and Assets Agency (BKAD) of North Toraja Regency.

2.   Financial Supervision has a significant effect on the Financial Performance of the Regional Financial and Assets Agency of North Toraja Regency. These results indicate that with the financial supervision carried out by the North Toraja Regency government, it is able to improve the performance of the local government, especially the Regional Finance and Assets Agency (BKAD) of North Toraja Regency in financial management so that they are able to carry out their duties in accordance with their respective main tasks and functions. and minimize the deviations that occur.

3.   The results of the simultaneous test analysis show that the presentation of financial statements and financial supervision together has a significant effect on financial performance. In addition to the Presentation of Financial Statements (X1) and Financial Supervision (X2), other factors are also determined not examined in this study. To achieve maximum financial performance, it is necessary to understand the factors that affect the financial performance.

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