

THE EFFECT OF LEGISLATIVE OVERSIGHT, BUDGET TRANSPARENCY, AND INTERNAL AUDITOR QUALITY ON LOCAL GOVERNMENT PERFORMANCE WITH TOTAL ASSET MODERATION: A CASE STUDY IN INDONESIA

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ABSTRACT

This study aims to examine the relationship between legislative oversight, budget transparency, and the quality of internal auditors on local government performance. To achieve the research objectives, we observed 264 local governments in the 2018 period. The scope limitation in 2018 was due to budget transparency data using a form on the local government website. This study uses descriptive statistics and multiple regression analysis to assist in data processing the findings in this study, among others. Legislative supervision and internal quality auditors do not affect the local government's performance, and local government financial reports' quality impact on local government performance. However, budget transparency positively affects local government performance and local government financial reports' quality. Another finding is that total assets can moderate by weakening the influence of supervision on local government performance. On the other hand, total assets cannot reconcile the effect of internal auditors' transparency and quality on local government performance. Thus, it is necessary to strengthen regional asset management as a supporting resource to strengthen legislative members' competence and strengthen internal auditors within the provincial government's scope.

Keywords: Legislative Oversight, Budget Transparency, Quality Internally Auditor, Performance

INTRODUCTION

The government's performance describes the achievements that have been achieved in the realization of the programs, goals, objectives, vision, and mission contained in planning (Negara et al., 2018). Good governance can assist the government in evaluating and monitoring government spending to improve performance. Local governments that have governance better, governance should perform better because of the policies and decisions made to meet the public interest (Ward et al., 2017). In general, an organization wants to present a positive performance achieved even though there are still some errors in the report (Hood, 2011; Moynihan, 2008). The presentation of reports that do not have good reliability will impact the government (Dalton & Dalton, 2005; Van de Walle, Van Roosbroek, & Bouckaert, 2008; Van Ryzin, 2011).

The role of supervision by legislative in the public sector is required to implement governance (good governance) both in the public sector. *IFAC* and *The Chartered*