
Analysis Employee Expenditure, Goods and Services Expenditure, Capital Expenditure on the Financial Performance of Regional Apparatus Organizations in Supporting Sustainable Development of the Bangkalan Regency Government

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ABSTRACT

Purpose: This study was conducted to test and analyse the effect of Personnel Expenditure, Goods and Services Expenditure, Capital Expenditure on the Financial Performance of Regional Apparatus Organisations in Supporting Sustainable Development of the Bangkalan Regency Government.

Methodology: This research uses quantitative methods using 52 populations in 2021-2023 with a total of 156 samples.

Findings: The results of testing and analysis carried out, significant and positive results were obtained on the Employee Expenditure, Goods and Services Expenditure variables, while the Capital Expenditure variable obtained significant results with a negative value, which means that the higher the realisation of Capital, the lower the Financial Performance at 52 OPDs in the Bangkalan Regency Government in 2021 - 2023.

Paper Type: Research paper

Keywords: *Employee Expenditure, Goods and Services Expenditure, Capital Expenditure, Financial Performance, Regional Apparatus Organisation, Sustainable Development, Bangkalan Regency Government.*

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I. INTRODUCTION

In the implementation of regional autonomy, broad, complete and unanimous authority consisting of planning, implementation, supervision, control and evaluation in all aspects of government, must be accountable to the authoriser and the community. The implementation of regional autonomy is marked by decentralisation, which is indicated by providing broader, more tangible and responsible authority, especially in regulating, utilising and exploring potential sources in the region.

An organisation is formed for a specific purpose. This target is in the form of a certain output, it can be the realisation of a certain item with a specified quantity and quality, it can also be the realisation of a desired situation that is better than what already exists, it can also be a better service. The level of achievement of this organisational target is more commonly referred to as performance. To achieve maximum targets, this performance needs to be assessed or evaluated periodically before the end of the predetermined period.

Measurement of local government financial performance can be seen from the ability to absorb the budget. Assessing the performance of a region's financial management is by looking at its budget absorption. The occurrence of budget absorption rates can determine a region's performance / ability to implement and be responsible for each programme that has been determined (Fajar & Arfan, 2017).

With the good financial performance of the Regional Apparatus Organisation, which is marked by effective budget absorption, regional development activities by the Bangkalan Regency Government have been running well. Development is the obligation of the government as a mandate from the people. The development aims to create security, order and prosperity in society. In the development process, there are several approaches that can

be used by the government. Regional development is one of the development concepts that emphasises certain areas with certain similarities. Regional development is carried out to achieve regional development goals that include aspects of growth, equity and sustainability that have a location dimension in space and are related to the socio-economic aspects of the region (Anwar, 2005). Sustainable regional development is key in realising a more prosperous, advanced and independent society. Development as a sustainable process must be able to concretely improve equitable welfare, strengthen independence and advance civilisation.

Based on the description above, it can be stated that the analysis of budget absorption is a very important thing to do because it illustrates the government's ability to achieve its performance targets. In this regard, it is necessary to analyse budget absorption, especially in Bangkalan Regency.

A. Theoretical Foundations

1. Employee Expenditure

As stated in the Technical Bulletin on the Presentation and Disclosure of Government Expenditure No. 04 issued by the Government Accounting Standards Committee (KSAP) published on 29 December 2006, to provide a common understanding both in budget preparation and reporting, the types of expenditure in reporting will be described, namely operating expenditure, capital expenditure, unexpected expenditure and transfers.

Operating expenditure consists of personnel expenditure (salaries, allowances and honorarium/wages), goods expenditure, interest expenditure, subsidy expenditure, grant expenditure, social assistance. Capital expenditure consists of land expenditure, buildings and structures expenditure, roads, irrigation and buildings expenditure, and other fixed assets expenditure. Personnel expenditure in the operating expenditure of the Budget Realisation Report represents compensation in the form of money or goods such as salaries, allowances and honorarium/wages incurred by the local government for local government activities.

2. Goods and Services Expenditure

According to Presidential Regulation Number 16 of 2018 concerning Procurement of Goods and Services means that the procurement of goods and services is the activity of procuring goods / services by ministries / institutions / regional apparatus financed by the APBN / APBD whose process starts from identifying needs, up to the handover of work results.

Based on Presidential Regulation of the Republic of Indonesia Number 4 of 2015 Government Goods and Services Expenditure, hereinafter referred to as Goods / Services Expenditure, is an activity to obtain goods and services by Ministries / Institutions / Regional Work Units / Institutions whose process starts from planning needs until the completion of all activities to obtain goods / services. According to Suganda (1994: 66) in Romus & Museliza (2012:87) Shopping is all activities and efforts to increase and fulfil the need for goods and services based on applicable regulations by creating something that did not exist before.

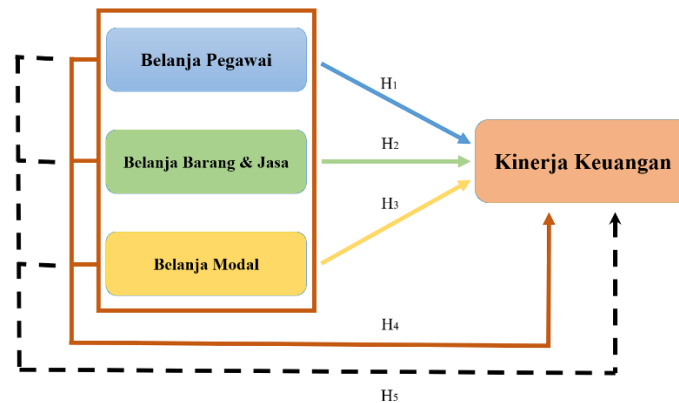
3. Capital Expenditure

According to Erlina et al. (2015:31) Capital Expenditure is budget expenditure for the acquisition of fixed assets and other assets that provide benefits for more than one accounting period. Similarly, according to Mursyidi (2018:305) Capital Expenditure is budget expenditure for the acquisition of fixed assets and other assets that benefit more than one accounting period.

Factors affecting Capital Expenditure based on PP No. 58 of 2005 article 16 paragraph (1) concerning Regional Financial Management, "APBD is prepared in accordance with the administration of government and the ability of regional income." This means that in each APBD preparation, if the local government will allocate Capital Expenditure, the factors that must be considered are regional needs and the amount of regional income.

B. Conceptual Framework

The conceptual framework guides researchers to systematically explain the theory used in the study. This research has a conceptual framework which will be explained in the figure below :



Gambar 1 Conceptual Framework

II. METHOD

This research uses quantitative methods. The population in this study is the Budget Realisation Report of 52 Regional Apparatus Organisations in the Bangkalan Regency Government. The sampling technique used is the Purposive Sampling technique, meaning that the sample used in this study is a sample with consideration or choosing certain criteria and objectives for the sample under study (Sugiyono, 2017). The sample criteria in this study include the Budget Realisation Reports of 52 Regional Apparatus Organisations in the Bangkalan Regency Government for the 2021 - 2023 fiscal year. The selection of the 2021 - 2023 fiscal year period is because in the 2021 - 2023 fiscal year the Bangkalan Regency Government.

The data collection technique used in this research is the documentation method. Documentation according to Sugiyono (2017) Documentation is a method used to obtain data and information in the form of books, archives, documents, written figures and images in the form of reports and information that can support research. Documentation is used to collect data and then reviewed. The documentation used in this study includes the Budget Realisation Reports of 52 Regional Apparatus Organisations in the Bangkalan Regency Government for the 2021 - 2023 fiscal year, which can be accessed through the Regional Government Information System (SIPD) application on the website: <https://sipd.kemendagri.go.id/>.

The analysis method used in this research is a quantitative data analysis method using multiple linear regression methods. Multiple linear regression analysis is carried out to determine the direction and how much influence the independent variable has on the dependent variable (Ghozali, 2018). The data analysis methods that will be used are Descriptive Statistical Test, Classical Assumption Test, Multiple Linear Regression Model and Hypothesis Test.

III. RESULT AND DISCUSSION

A. Results

1. Descriptive Analysis

Table 1 Results of Descriptive Analysis

Descriptive Statistics					
	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Financial Performance</i>	156	67.40	130.19	95.9101	7.02831
<i>Employee Expenditure</i>	156	81.68	126.23	97.5535	4.23703

<i>Goods and Services Expenditure</i>	156	37.96	145.78	93.6659	10.52190
<i>Capital Expenditure</i>	156	.00	1320.13	87.1653	111.73446
<i>Valid N (listwise)</i>	156				

The results of descriptive statistics show that the minimum value of Financial Performance from 2021 to 2023 is 67.40 at the Public Works and Spatial Planning Office in 2022, while the maximum value is 130.19 at the Social Service in 2021. These results indicate that the amount of Financial Performance sampled in this study ranges from 67.40 to 130.19 with an average value of 95.9101 at a standard deviation of 7.02831. The average value is greater than the standard deviation, namely $95.9101 > 7.02831$. This means that the Financial Performance variable has a smaller distribution than the average value, so that the data deviation on the Financial Performance variable can be said to be good.

The results of descriptive statistics show that the minimum value of Employee Expenditure from 2021 to 2023 is 81.68 in Blega District in 2022, while the maximum value is 126.23 at the Regional Financial and Asset Management Agency in 2022. These results indicate that the amount of employee expenditure sampled in this study ranges from 81.68 to 126.23 with an average value of 97.5535 at a standard deviation of 4.23703. The average value is greater than the standard deviation, namely $97.5535 > 4.23703$. This means that the Employee Expenditure variable has a smaller distribution than the average value, so that the data deviation on the Employee Expenditure variable can be said to be good.

Furthermore, the results of descriptive statistics show that the minimum value of Goods and Services Expenditure in 2021 to 2023 is 37.96 at the Public Works and Spatial Planning Office in 2022, while the maximum value is 145.78 at the Livestock Service Office in 2022. These results indicate that the amount of Goods and Services Expenditure sampled in this study ranges from 37.96 to 145.78 with an average value of 93.6659 at a standard deviation of 10.52190. The average value is greater than the standard deviation, namely $93.6659 > 10.52190$. This means that the Goods and Services Expenditure variable has a smaller distribution than the average value, so that the data deviation on the Goods and Services Expenditure variable can be said to be good.

The minimum value of Capital Expenditure in 2021 to 2023 is 0.00 in 31 Regional Apparatus Organisations. Then the maximum value is 1320.13 at the National and Political Unity Agency in 2022. These results indicate that the amount of capital expenditure sampled in this study ranges from 0.00 to 1320.13 with an average value of 87.1653 at a standard deviation of 111.73446. The average value is smaller than the standard deviation, namely $87.1653 < 111.73446$. This means that the Capital Expenditure variable has a distribution greater than the average value, the Standard Deviation which is greater than the mean indicates that the data used in the Capital Expenditure variable has a large data distribution. This shows that the capital expenditure data in this study contains some outliers (data that is too extreme)..

2. Classic Assumption Testing

a. Normality Test

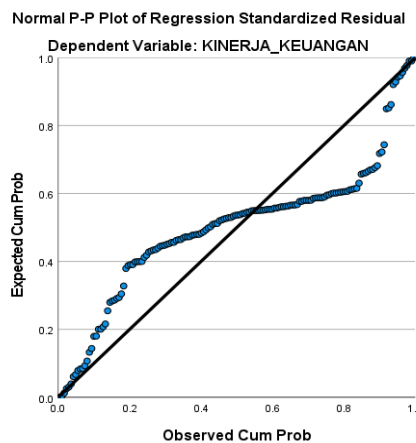


Figure 2. Data Normality Test of Normal Probability Plots Method

From the graph above, it is known that the P-Plot graph has points around the diagonal line and is straight on the diagonal line. So the data in this study shows a normally distributed regression form and fulfils the requirements of the normality assumption.

b. Uji Multicoloniniaritis

Table 2. Multicollinearity Test Results

<i>Coefficients^a</i>		<i>Collinearity Statistics</i>	
<i>Model</i>		<i>Tolerance</i>	<i>VIF</i>
<i>1</i>	<i>(Constant)</i>		
	<i>Employee Expenditure</i>	<i>.989</i>	<i>1.011</i>
	<i>Goods and Services Expenditure</i>	<i>.989</i>	<i>1.011</i>
	<i>Capital Expenditure</i>	<i>1.000</i>	<i>1.000</i>

a. Dependent Variable: Financial Performance

From the table above, it is known from the Multicollinearity test results that this study has a tolerance value of each variable greater than 0.10 (Tolerance \geq 0.10), where the Tolerance value on the Employee Expenditure variable is 0.989, Goods and Services Expenditure is 0.989, Capital Expenditure is 1.000.

The VIF value shows that there is no variable value greater than 10 (VIF \leq 10). From the results of the tolerance and VIF values, it can be concluded that there is no multicollinearity between the independent variables in the regression model in this study.

c. Heteroscedasticity Test

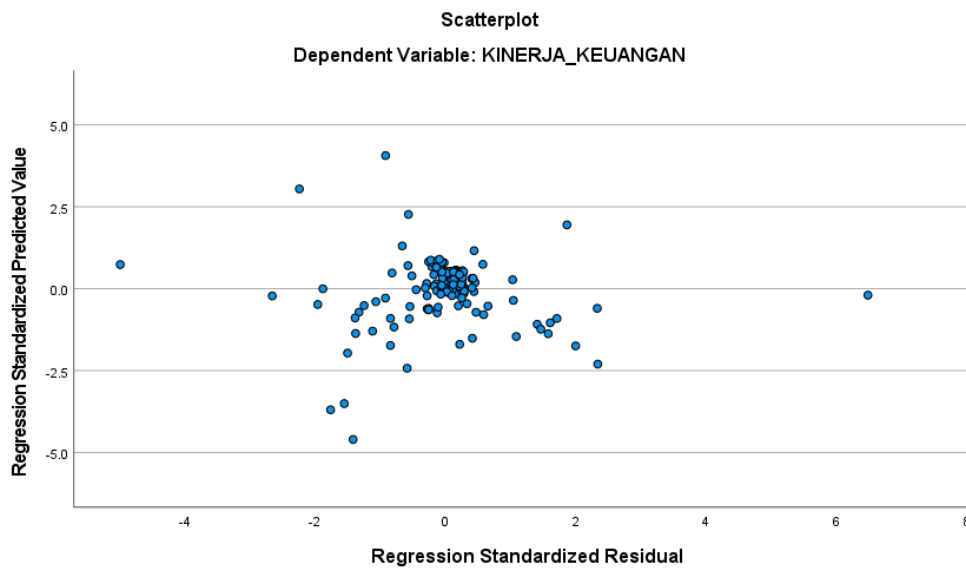


Figure 3. Heteroscedasticity Test Results

Based on the picture above, it can be seen that the points on the scatterplot graph spread above and below the number 0 on the Y axis and do not form a certain pattern. So it can be seen that this study does not experience heteroscedasticity problems.

d. Autocorrelation Test

Table 3 Autocorrelation Test Results

<i>Model Summary^b</i>	
<i>Model</i>	<i>Durbin-Watson</i>
<i>1</i>	<i>2.116</i>

a. Predictors: (Constant), Capital Expenditure, Goods and Services Expenditure, Employee Expenditure

b. Dependent Variable: Financial Performance

Based on the table above, it shows that the Durbin Watson value is 2.116. then the value is compared with the table value using a significance value of 5% (0.05) with a total sample (n) of 156 samples, and the independent variable (k) consists of 3 variables. So that the Durbin Watson value is obtained $dL = 1.6992$ and $du = 1.7776$. From this value, it is known that the DW value lies between du and $4-du$ or $du < DW < 4-du$, namely $1.7776 < 2.116 < 2.2224$. according to the applicable criteria in decision making with the Durbin Watson test, it can be concluded that there is no autocorrelation in the regression model.

3. Multiple Linear Regression Test

Table 4 Table of Multiple Linear Regression Test Results

		<i>Coefficients^a</i>				
		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>		
	<i>Model</i>	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>t</i>	<i>Sig.</i>
<i>1</i>	<i>(Constant)</i>	<i>30.397</i>	<i>10.444</i>		<i>2.910</i>	<i>.004</i>
	<i>Employee Expenditure</i>	<i>.336</i>	<i>.103</i>	<i>.203</i>	<i>3.253</i>	<i>.001</i>
	<i>Goods and Services Expenditure</i>	<i>.363</i>	<i>.042</i>	<i>.543</i>	<i>8.712</i>	<i>.000</i>
	<i>Capital Expenditure</i>	<i>-.015</i>	<i>.004</i>	<i>-.235</i>	<i>-3.796</i>	<i>.000</i>

a. Dependent Variable: Financial Performance

Based on the multiple linear regression calculations shown in the figure above, the regression line equation is as follows:

$Y = 30.397 + 0.336 \text{ Employee Expenditure} + 0.363 \text{ Shopping for Goods and Services} + -0.115 \text{ Capital Expenditure} + e$

The multiple linear regression equation can be explained as follows:

- 1) The constant of 30.397 explains that if all independent variables are constant or equal to zero, then the level of Financial Performance is 30.397.
- 2) The Employee Expenditure variable (X1) obtained a coefficient value of 0.336 which indicates that if the Employee Expenditure variable increases by 1 unit, then the Financial Performance will increase by 0.336 units with the assumption that other independent variables are constant.

- 3) The Goods and Services Expenditure variable (X2) obtained a coefficient value of 0.363 which indicates that if the Goods and Services Expenditure variable increases by 1 unit, then the Financial Performance will increase by 0.363 units with the assumption that the other independent variables are constant.
- 4) The Capital Expenditure variable (X3) obtained a coefficient value of -0.115 which indicates that if the Capital Expenditure variable increases by 1 unit, then the Financial Performance will decrease by 0.115 units, assuming that the other independent variables are constant.

4. Hypothesis Test

a. Partial Test (Uji t)

Table 5 t-Test Results (Partial)

<i>Coefficients^a</i>						
		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>		
	<i>Model</i>	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>t</i>	<i>Sig.</i>
1	<i>(Constant)</i>	30.397	10.444		2.910	.004
	<i>Employee Expenditure</i>	.336	.103	.203	3.253	.001
	<i>Goods and Services Expenditure</i>	.363	.042	.543	8.712	.000
	<i>Capital Expenditure</i>	-.015	.004	-.235	-3.796	.000

a. Dependent Variable: Financial Performance

b. Simultaneous Test (Test F)

Table 6 Simultaneous Test Results (Test F)

<i>ANOVA^a</i>						
	<i>Model</i>	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	<i>Regression</i>	3183.213	3	1061.071	36.054	.000 ^b
	<i>Residual</i>	4473.351	152	29.430		
	<i>Total</i>	7656.564	155			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Capital Expenditure, Goods and Services Expenditure, Employee Expenditure

c. Dominant Test (Uji B)

Table 7 Dominant Test Results (B)

		<i>Coefficients^a</i>				
		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>		
	<i>Model</i>	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>t</i>	<i>Sig.</i>
<i>1</i>	<i>(Constant)</i>	<i>30.397</i>	<i>10.444</i>		<i>2.910</i>	<i>.004</i>
	<i>Employee Expenditure</i>	<i>.336</i>	<i>.103</i>	<i>.203</i>	<i>3.253</i>	<i>.001</i>
	<i>Goods and Services Expenditure</i>	<i>.363</i>	<i>.042</i>	<i>.543</i>	<i>8.712</i>	<i>.000</i>
	<i>Capital Expenditure</i>	<i>-.015</i>	<i>.004</i>	<i>-.235</i>	<i>-3.796</i>	<i>.000</i>

a. Dependent Variable: Financial Performance

d. Coefficient of Determination (R²)

Tabel 8 Hasil Uji Koefisien Determinasi (R²)

<i>Model Summary^b</i>		
<i>Model</i>	<i>R</i>	<i>R Square</i>
<i>1</i>	<i>.645^a</i>	<i>.416</i>

a. Predictors: (Constant), Capital Expenditure, Goods and Services Expenditure, Employee Expenditure

b. Dependent Variable: Financial Performance

Based on the table above, the R2 value is 0.416. This shows that the Financial Performance of Regional Apparatus Organisations is influenced by Personnel Expenditure, Goods and Services Expenditure, and Capital Expenditure by 41.6% while the remaining 58.4% is influenced by other factors outside this study.

B. Discussion

1. Testing the effect of Employee Expenditure on Financial Performance

H1: Employee Expenditure has a Significant Positive Effect on the Financial Performance of Regional Apparatus Organisations.

Based on the table above, the multiple linear regression test results obtained a regression coefficient value of 0.336. The Employee Expenditure variable has a t count of 3.253 with a significance of 0.001. The significance value is smaller than 0.05, indicating that the Employee Expenditure variable has a significant effect on the Financial Performance of the 52 OPDs in the Bangkalan Regency Government in 2021 - 2023, so that the first hypothesis is accepted.

2. Testing the effect of Goods and Services Expenditure on Financial Performance

H2: Goods and Services Expenditure has a Significant Positive Effect on the Financial Performance of Regional Apparatus Organisations.

Based on the table above, the multiple linear regression test results obtained a regression coefficient value of 0.363. The Goods and Services Expenditure variable has a t count of 8.712 with a significance of <0.001. The significance value is smaller than 0.05, indicating that the Goods and Services Expenditure variable has a

significant effect on the Financial Performance of the 52 OPDs in the Bangkalan Regency Government in 2021 - 2023, so the second hypothesis is accepted.

3. Testing the effect of Goods and Services Expenditure on Financial Performance

H3: Capital Expenditure has a Significant Positive Effect on the Financial Performance of Regional Apparatus Organisations.

Based on the table above, the multiple linear regression test results obtained a regression coefficient value of -0.015. The capital expenditure variable has a t count of -3.796 with a significance of <0.001. The significance value is smaller than 0.05, indicating that the Capital Expenditure variable has a significant effect on the Financial Performance of the 52 OPDs in the Bangkalan Regency Government in 2021 - 2023, so the third hypothesis is rejected.

4. Testing of Employee Expenditure, Goods and Services, and Capital Expenditure Simultaneously Has a Significant Positive Effect on Financial Performance

H4: Employee Expenditure, Goods and Services, and Capital Expenditure Simultaneously Have a Significant Positive Effect on the Financial Performance of Regional Apparatus Organisations.

Based on the table above, it can be seen from the calculated F value, which is 36,054. While the resulting significance value is <0.001 which is smaller than 0.05. Thus it can be concluded that this multiple regression model is feasible to use, and the independent variables which include Employee Expenditure, Goods and Services, and Capital Expenditure have a simultaneous influence on the Financial Performance variable in 52 OPDs in the Bangkalan Regency Government in 2021 - 2023, so that the fourth hypothesis is accepted.

5. Testing among the variables of Employee Expenditure, Goods and Services Expenditure, and Capital Expenditure which are dominant in influencing Financial Performance

H5: Among the variables of Employee Expenditure, Goods and Services Expenditure, and Capital Expenditure, the dominant effect on the Financial Performance of Regional Apparatus Organisations of the Bangkalan Regency Government is Goods and Services Expenditure.

From the table above, it shows that the Employee Expenditure variable has a beta coefficient of 0.333. The Goods and Services Expenditure variable has a beta coefficient of 0.363. And the Capital Expenditure variable has a beta coefficient of -0.015. This shows that the Goods and Services Expenditure variable has the largest beta coefficient among the other independent variables, which means that the Goods and Services Expenditure variable is the most dominant variable affecting the Financial Performance of the Bangkalan Regency Government Regional Apparatus Organisation so that the fifth hypothesis is accepted.

IV. CONCLUSION

Based on the data that has been collected and tests that have been carried out using multiple linear regression methods, the following conclusions can be drawn:

1. From the results of testing the research hypothesis, it shows that the Employee Expenditure variable has a positive effect on Financial Performance at 52 OPDs in the Bangkalan Regency Government in 2021 - 2023. This means that the higher the realisation of employee expenditure, the higher the financial performance of the 52 OPDs in the Bangkalan Regency Government in 2021-2023. This conclusion is evidenced by the results of the multiple linear regression test obtained a regression coefficient value of 0.336. The Employee Expenditure variable has a t count of 3.253 with a significance of 0.001. The significance value is less than 0.05, indicating that the Employee Expenditure variable has a significant effect on Financial Performance at 52 OPDs in the Bangkalan Regency Government in 2021-2023, so that the first hypothesis (H1) is accepted.
2. From the results of testing the research hypothesis, it shows that the Goods and Services Expenditure variable has a positive effect on Financial Performance at 52 OPDs in the Bangkalan Regency Government in 2021 - 2023. This means that the higher the realisation of Goods and Services Expenditure, the higher the Financial Performance at 52 OPDs in the Bangkalan Regency Government in 2021 - 2023. This conclusion is evidenced by the results of the multiple linear regression test obtained a regression coefficient value of 0.363. The Goods and Services Expenditure variable has a t count of 8.712 with a significance of <0.001. The significance value is smaller than 0.05, indicating that the Goods and Services Expenditure variable has a significant effect on the Financial Performance of the 52 OPDs in the Bangkalan Regency Government in 2021-2023, so the second hypothesis (H2) is accepted.
3. From the results of testing the research hypothesis, it shows that the Capital Expenditure variable has a negative effect on Financial Performance at 52 OPDs in the Bangkalan Regency Government in 2021 - 2023.

This means that the higher the capital realisation, the lower the financial performance of the 52 OPDs in the Bangkalan Regency Government in 2021-2023. This conclusion is evidenced by the results of the multiple linear regression test obtained a regression coefficient value of -0.015. The Capital Expenditure variable has a t count of -3.796 with a significance of <0.001. The significance value is smaller than 0.05, indicating that the Capital Expenditure variable has a significant effect on Financial Performance at 52 OPDs in the Bangkalan Regency Government in 2021-2023, so the third hypothesis (H3) is rejected.

4. From the results of testing the research hypothesis, it shows that the variables of Employee Expenditure, Goods and Services, and Capital Expenditure Simultaneously have a Positive Effect on Financial Performance at 52 OPDs in the Bangkalan Regency Government in 2021 - 2023. This conclusion can be proven from the calculated F value, which is 36,054. Meanwhile, the resulting significance value is <0.001 which is smaller than 0.05. Thus it can be concluded that this multiple regression model is feasible to use, and the independent variables including Personnel Expenditure, Goods and Services, and Capital Expenditure have a simultaneous influence on the Financial Performance variable in 52 OPDs in the Bangkalan Regency Government in 2021-2023, so that the fourth hypothesis (H4) is accepted.
5. From the results of testing the research hypothesis, it shows that among the variables of Employee Expenditure, Goods and Services Expenditure, and Capital Expenditure, the dominant effect on Financial Performance in 52 OPDs in the Bangkalan Regency Government in 2021 - 2023 is Goods and Services Expenditure. This conclusion is evidenced by the results of multiple linear regression tests obtained by the regression coefficient of the Goods and Services Expenditure variable of 0.363, which is greater than the regression coefficient of the Employee Expenditure variable of 0.336 and the regression coefficient of the Capital Expenditure variable of -0.015. This shows that the Goods and Services Expenditure variable has the largest beta coefficient among the other independent variables, which means that the Goods and Services Expenditure variable is the most dominant variable affecting the Financial Performance of the Bangkalan Regency Government Regional Apparatus Organisation so that the fifth hypothesis (H5) is accepted.

A. Sugestion

Based on the results of the research and the conclusions that have been presented, the researchers then submit suggestions that can provide benefits to the parties involved in the results of this study. The suggestions that can be conveyed are as follows:

1. To the Bangkalan Regency Government in each fiscal year to increase the realisation of Goods and Services Expenditures which will have an impact on increasing regional infrastructure development, improving the quality of public services, and spurring the growth of MSMEs in Bangkalan Regency so that they can support Sustainable Development in Bangkalan Regency.
2. To academics and researchers, to obtain better study results, it is necessary to conduct another test on the factors that influence the Financial Performance of Regional Apparatus Organisations in the Bangkalan Regency Government by considering other variables that affect the Financial Performance of Regional Apparatus Organisations.

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