DETERMINANT OF REGIONAL FINANCIAL MANAGEMENT ACCOUNTABILITY AND ITS CONSEQUENCES TO THE STAKEHOLDER TRUST: A STUDY AT REGIONAL GOVERNMENT IN DOMPU, INDONESIA

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Abstract

This research aimed to examine the influence of financial statements accessibility and regional government implementation supervision toward accountability of regional financial management, followed by examine the influence of accountability of regional financial management toward its stakeholder trust. This research is an explanatory research. Sampling in this research was using simple random sampling method with the consideration that the respondents are employees and reputed in internal and external stakeholder. The numbers of samples are 36 respondents Consisted of 18 respondents from internal stakeholders and 18 respondents from external stakeholders. Analysis methods used in testing the hypothesis is the Partial Least Square Analysis. The results showed that the financial statements accessibility and supervision of regional government implementation were partially positive and significant influence toward the accountability of regional financial management. Similarly with the accountability of regional financial management partially positive and significant influence toward the stakeholder trust.

Keywords: Accountability, stakeholder trust, accessibility, supervision, financial management

INTRODUCTION

Regional financial management accountability has become the duty that should be granted by regional government as the autonomous region after the consideration of Undang-Undang No. 32 Tahun 2004 about Autonomous region. The aim of regional financial management accountability realisation explicitly explained in Government Regulation (PP) No. 58 of 2005 about Regional Financial Management and The Role of Ministry of Home Affairs (Permendagri) No. 21 of 2011 about The direction of regional financial management.

PP No. 58 of 2005 about Regional Financial Management and The Role of Permendagri No. 21 of 2011 about The direction of regional financial management notes general basis of regional financial management. It consists of, integrated basis and responsibility basis. Responsibility basis here, meant that the regional financial management was done orderly, obeys in regulation, effective, efficient, economic, transparent, responsible, equitable, properly, and useful for the society (Permendagri Nomor 21 Tahun 2011).

As the explanation of Permendagri Nomor 21 Tahun 2011, that regional financial management is all the activities that consists of planning, implementation, notification, responsibility, supervision of regional financial. Regional financial management was planned every year through the explanation and agreement between the regional government with regional parliament (DPRD) that produce regional regulation/ Peraturan Daerah (Perda); The Role of Region about APBD (Consideration of Regional Estimate Income and expanse). Then, APBD will be the reference in regional financial management in a year of estimation. It consists of income management and regional expanse and also regional budgeting.

In Regional Estimate Income and expanse every year, it can be seen the realization of income and expanse which is written in financial report. While the realization of regional income in Dompu Government showed that there is ia consistence improvement every year in 2012 until 2016, with the average improvement 17% per year. It also occur with the realization of regional expanse that improve the average of 18% per year.

The presence of regional income and expanse will increase the growth of economy (Hendriwiyanto, 2014; Manek, 2016). It is a Dompu Government in reaching the independent vision of Dompu society. By the proper economic growth, it shows that the Consideration of Regional Estimate Income and expanse has manage well so that the regional financial management accountability has done well and felt the benefit by society.

In Macro perspective, the condition of economy can be seen from Gross Domestic Regional Product (GDRP). GDRP based on the valid price of Dompu Government on 2016 which is up to Rp. 5.612.203.700.000 (dompukab.bps.go.id). By the improvement average 10,5 % per year on 2012 to 2016. This Phenomena reflects the regional stewardship cast whose

done by the Dompu Government in regional financial management. It accordance with stewardship which describes the situation where managers did not motivated by the individual purposes but for their organization principal (Donaldson dan Davis, 1991).

Although Dompu Government can be said to be successful in increasing economic growth, but the management of local finance is still colored by the existence of corruption cases. The cases of corruption that occurred in Dompu has been proved by the presence of two Dompu Regents who led Dompu District in succession from 2000 to 2010 have been convicted in different corruption cases (regional.kompas.com and dev.republika.co.id). Regent who still served in the Year 2017 is also designated as a suspect by the NTB Regional Police for state loss in the procurement of CPNS from 2nd category honorary workers (www.dompubicara.com). The occurrence of corruption cases shows that the Dompu Regency Government has not shown attitude as a good steward. In the context of corruption cases in Dompu Government shows that management is still motivated by individual goals and does not prioritize organizational interests in local financial management. Increased revenue and regional expenditure consistently each year must be supported by better management accountability in order to increase stakeholder trust in financial management (Rahmawati, 2013; Nurrizkiana, 2016). Kim (2016) It states that if the government handles corruption in politics well, public confidence in the government will increase. Public distrust to the government can lead to harmful actions such as mass demonstrations / protests and thuggery in the community because society considers that the only way out (Guslina, 2012).

The protests became a form of protest and action commonly undertaken by Non-Governmental Organization (NGO) activists as part of the government's external stakeholders in showing their distrust of the government. Demonstrations that occurred in Dompu District in the Year 2017 has increased quite drastically. West Nusa Tenggara Police Data (http://ntb.polri.go.id) shows that in the Year 2014 and 2015 rallies occurred as many as 29 and 28 activities. In 2016 the number of rallies decreased to only 4 activities. However, until September of 2017 there was a significant increase to 47 activities. Increased intensity of this demonstration indicates that the existence of inequality information obtained by stakeholders so that the NGOs as part of external stakeholders to demonstrate as a form of demand for the gap information obtained.

In relation to stakeholder trust, stakeholder theory has emphasized how information from an entity's operations should be communicated to stakeholders. Deegan (2004) describes stakeholder theory as a theory which states that all stakeholders have the right to obtain information about the activities of the company that can influence their decision-making. Thus, the existence of a company is strongly influenced by the support given by stakeholders to the

company (Ghozali and Chariri, 2007).According to Steccolini (2012), the inability of financial statements to implement accountability is not only due to an annual report that does not contain all the relevant information required by users, but also because it can not be directly available and accessible to potential users.

The access aspect of regional government financial management information in Dompu Government has a website www.dompukab.go.id. The website is used as an online media in exposing all regional government activities. In addition to the implementation of electronic procurement, Dompu Government already has www.lpse.dompukab.go.id for government procurement of goods and services electronically. However, the government-owned website does not contain information related to regional government financial statements. So that financial statement information cannot be accessed online by regional government stakeholders. In fact, as enacted by the Minister of Domestic Affairs No. 21 of 2011 that as a form of the principle of responsibility in the management of local finances, regional governments are obliged to open space to the public to know and gain access to information as widely as possible about regional finances. Prior research has shown that accessibility to financial statements is also one of the factors that may influence the accountability of public financial management (Sande, 2013, Ichlas et al., 2014; Aimbu et al., 2016; Lewier and Kurniawan, 2016; Nurrizkiana, 2016; and Wiyana and Sutrisna , 2016). The researchers proved that the accessibility of financial statements had a significant effect on the accountability of the government's financial management. Although in the study of Azizah (2014) also found differences in research results. Where the researchers conclude that the accessibility of financial statements does not affect the accountability of financial management. This is allegedly caused by the regional government only publish information related to financial reports and government performance only through the internet, whereas it is necessary to remember the condition of the apathetic community of information technology, that not all society know the internet.

The presentation of reliable financial information to users in accordance with the established plan requires certain media that are deemed to be relevant, namely the supervision of regional finances (Tuasikal, 2007). In line with that the President of the Republic of Indonesia has enacted PP No. 12 of 2017 about Guidelines for the Development and Supervision of Regional Government Implementation in April 2017.

Supervision over the implementation of Regional Government according to PPNo. 12 of 2017 states that the Supervision of Implementation of Regional Government is an effort, action, and activity aimed at ensuring the implementation of Regional government run efficiently and effectively in accordance with the provisions of legislation. The Government Regulation is also

detailed more detail on the task of supervising the implementation of regional government consisting of ten types of supervision, which are related to the distribution of government affairs; regional institutions; personnel on the Regional Device; regional finance; regional development; public services in the regions; regional cooperation; regional policy; regional head and Regional People's Representative Assembly (DPRD); and other forms of supervision in accordance with the provisions of legislation.

Supervision of financial management has an influence in realizing accountability of local financial management (Armando, 2013; Wulandari, 2013; Ponamon, 2014). Wulandari (2013) researches the effect of functional oversight of public accountability, the result of study that functional oversight has a significant positive effect on public accountability.

The update of this research is seen in the indicators used in measuring the variables of local governance supervision in this study is adjusted with the PP No. 12 of 2017 which was just established in April 2017. Then Indicators used in measuring accountability of local financial management using the characteristic of government accountability as Djalil opinion (2014). With the use of these indicators is expected to provide better measurement results against each variable.

From this research, it is expected to give practical contribution in the form of information that is useful in formulating the direction and policy related to financial management accountability of regional government. In terms of theoretical, this research becomes additional literature in the development of stewardship and stakeholder theory, especially regarding the aspect of accountability in government organizations.

LITERATURE REVIEW

Regional Financial Management Accountability

Financial accountability is the accountability of financial integrity, disclosure and compliance with laws and regulations (LAN and BPKP, 2000: 28). As per Djalil (2014: 408), the principle of accountability stipulates that every activity and final outcome of the activities of state administration must be accountable to the people as the highest sovereign holders in a country.

Stakeholder Trust

Trust is the extent to which a person is confident, and is willing to act on the basis, words, actions, and decisions of others (McAllister, 1995: 25 in Kim, 2016). Trust can be a tool for managing risk (Schoorman, 2007). Stakeholders are individuals, groups and communities and communities that have certain characteristics. Characteristics owned by stakeholders that have the power, legitimacy and interests of the company (Budimanta et al., 2008).

Financial Statements Accessibility

Financial accessibility is a convenience for a person to obtain information on financial statements (Mulyana, 2006). The financial statements should be understandable and available to those interested and willing to try to understand them (Henly et al., 1992). Regional governments should open access to broad stakeholders on local financial reports through newspapers, the Internet or other means (Permendagri No. 21/2011).

Supervision of Regional Government Implementation

Supervision of Regional government Implementation as intended in PP 12 Of 2017 are efforts, actions, and activities aimed at ensuring the implementation of Regional government run efficiently and effectively in accordance with the provisions of legislation.

HYPOTHESES DEVELOPMENT

The Influence of the Financial Statements Accessibility against Regional Financial Management Accountability

Stewardship theory explained attitude as a waiter *(steward) that* is a form of totality in public service that is the main goal of government. Therefore accessibility in the submission of financial statements should be opened widely to the public as one of the services provided by the government. The openness of the government in providing road access to the public's financial statements would have dared to be done only when the financial management was carried out by the accountable and fair government.

Research supports the role of accessibility in realizing the accountability of financial management. The study was conducted by Sande (2013), Ichlaset al. (2014), Aimbuet al. (2016); Lewier and Kurniawan (2016), Nurrizkiana (2016), as well as Wiyana and Sutrisna (2016). Research results showed that the accessibility of financial report influenced positively on financial management accountability. Inconsistencies occur in a study conducted by Azizah (2014) where the researchers concluded that the accessibility of financial statements does not affect the accountability of financial management. From the above description, there are still needs to be done further research to strengthen the implementation of theory of *stewardship* as well as to strengthen the findings about the influence of accessibility of financial statements on the financial management accountability therefore the first hypothesis that can be raised is: Accessibility of financial statements influences positively toward local financial management accountability.

The effect of Regional government implementation supervision toward Regional government's Financial Management Accountability

One of the oversight functions is to provide *assurance* to the public that the accountability of financial management has been realized with the fair. Thus to reassure the public as to the accountability of financial management is necessary to supervise properly. Accountability size is considered very difficult to quantify without supervision, for the stewards to make sure the size of financial management accountability to the public is very important as other forms of public service. With the enactment of PP No. 12 Of 2017 on Development and Control of Regional government, show the importance of monitoring the implementation of the regional administration therefore the government gives serious attention to the supervisory practices in regional government, to ensure the efficiency and effectiveness of the regional administration of the estuary end is good accountability.

Scientific research has provided some empirical evidence that oversight affect accountability in financial management as research conducted by Wulandari (2013). Wulandari's study (2013) showed that the positive effect on accountability oversight of financial management. Research was also conducted by Armando (2013) and Ponamon (2014) who examined the influence of supervision on the quality of government financial reporting information. The results show that the application of regional financial supervisory influenced positively and significantly on the quality of financial reporting information to the government. From the above description and with the entry into force of PP No. 12 of 2017, researcher think that it is important to re-test empirically how the influence of local governance oversight of the financial management accountability with using indicators as mandated PP 12 Of 2017. Therefore, this research proposed a second hypothesis: Supervision of regional governance implementation influences positively on local financial management accountability.

Financial Management Accountability influence on Stakeholder Trust

The entity relationship with internal *stakeholders* is built on the concept of the usefulness of constructive cooperation in order to create continuity of business entities. While relations with *stakeholders* outside entities not just transactional and short-term but rather a relationship that is functional, which is based on a partnership in addition to efforts to raise the wealth conducted by the entity, the entity also seek to jointly build quality of information and the quality of life of *stakeholders* external (Budimanta: 2008). Rahmawati (2013) concludes in his research that the accountability of regional government influence on satisfaction and public confidence in the government. Nurrizkiana (2016) showed that the area of financial management accountability influenced positively and significantly on the confidence *of stakeholders.* Based on the above, it

is indicated that the better financial management accountability will increase confidence of stakeholder toward regional governments so that the third hypothesis can be formulated by: Accountability of regional financial management influenced positively on the stakeholders trust.

RESEARCH METHODS

Population and Sample

The population in this study is Regional Work Units (SKPD) in Dompu Government, called internal stakeholders. Provincial Legislative Council (DPRD), Non-Governmental Organizations (NGOs), community leaders and journalists in Dompu called external *stakeholders* (Nugraha, 2007 in Nurrizkiana, 2016).

The sampling technique was simple random sampling method with the consideration that the respondents are employees and reputed in internal and external stakeholder. The numbers of samples are 36 respondents Consisted of 18 respondents from internal stakeholders and 18 respondents from external stakeholders.

Variable Measurement Indicators

1. Accessibility financial statements are measured using three indicators as research of Sande (2013), these are: (1) transparency, (2) accessibility, (3) accessible. Furthermore, this variable is measured by the three statements on adoption of research of Sande (2013).

2. Supervision of the regional government realization in this study was measured based on five indicators developed from PP No. 12 of 2017, these are: (1) the examination and evaluation of the benefits and success of the policy and implementation of programs and activities; (2) checks periodically or at any time as well as the integrated inspection; (3) review of documents or reports periodically or at any time of the Region; (4) The investigation into the truth of statements regarding indications of irregularities and corruption; and (5) monitoring and evaluation of programs and activities of the regional.

3. Accountability of local financial management is measured based on five indicators adopted from Djalil (2014): (1) Presenting information of governance openly, fast, and precise to the public, (2) provide satisfactory service to the community. (3) Describe and account for every public policy proportionately. (4) Providing a space for people to be involved in the government development process. (5) There is a means for the public to assess the performance (performance) government.

4. Variable of stakeholder confidence was measured by 8 (eight) indicators adopted from Nurrizkiana (2016), these are: (1) the confidence of stakeholders, (2) the participation of stakeholders, (3) the insights and knowledge of stakeholders, (4) compliance with the rules, (5)

stakeholder satisfaction, (6) stakeholder awareness of their rights, (7) the suitability of the activities of the regional government and community needs, and (8) the reduction of cases of Corruption, Collusion and Nepotism

Data collection

Number of questionnaires distributed to respondents were36 questionnaires. The questionnaires returned as many as 36 questionnaires. The percentage of the response rate was 100%, this is reasonable and a high response rate.

Data analysis approach

This study used two statistical data analysis techniques namely descriptive statistics and inferential statistics. Inferential statistical data used the analysis of Partial Least Square (PLS), ranging from model measurement (outer model), structural model (inner model), and hypothesis testing. Some of the stages in the PLS are model conceptualization, determining the algorithm analysis method (path), determining resampling model (bootsrapping), and determining the path diagram.

Evaluation of Measurement Model (Outer Model)

a. Validity Test - Validity test is a tool to measure valid or not valid a questionnaire. There are two validity tests used in this research that was convergent validity and discriminant validity. Convergent Validity is related to the principle that the manifest variables of a construct should be highly correlated, given the value of the loading factor for each construct indicator. The range of loading factor values of 0.5 to 0.6 is considered sufficient (Chin, 1998 in Latan and Ghozali, 2012: 78). The discriminant Validity relates to the principle that different construct manifest variables should not be highly correlated, given the value of cross loading for each variable must be greater than the correlation with other latent indicators.

b. Reliability Test - Reliability test is performed to prove the consistency and accuracy of the instrument in measuring the construct. The value of composite reliability must be greater than 0,7 indicating that the data has a high reliability value (Latan and Ghozali, 2012: 79).

Evaluation of Structural Model (Inner Model)

If the T-statistic coefficient on the Path Coefficient output table of SmartPLS 3.2.7 (T-count) shows the greater coefficient of T-table (1.68) with 5% significance (one-tailed), then this result

describes the variable significant means that there is a significant influence on latent variables to the other variables.

FINDINGS

Characteristics of Respondents

Characteristics based on gender, the number of male respondents is 29 people or 80,6%, and female respondents as many as 7 people or 19,4%. The characteristics of respondents by age shows that the majority of respondents in this study aged 36-45 years as many as 24 respondents or 66.7%. This indicates that the respondents are in the productive age range in the work. Based on education level, most respondents have diploma or bachelor education as many as 31 respondents or 86,1%, which indicates that respondents have good ability in studying and understanding about government financial management.

Variable Characteristics

a. Validity Convergent

This aims to determine the validity of any relationship between the indicators with latent variables. Results of Convergent served on Table 1 below:

Table 1. Result for Outer Loadings

| I / K	ALK	PPD	APK	KS	Description
ALK1	0.213				Does not Meet the Convergent validity
ALK2	0.859				Meet the Convergent validity
ALK3	0.726				Meet the Convergent validity
PPD1		0.819			Meet the Convergent validity
PPD2		0.700			Meet the Convergent validity
PPD3		0.756			Meet the Convergent validity
PPD4		0.742			Meet the Convergent validity
PPD5		0.670			Meet the Convergent validity
APK1			0.822		Meet the Convergent validity
APK2			0.730		Meet the Convergent validity
APK3			0.597		Meet the Convergent validity
APK4			0.824		Meet the Convergent validity
APK5			-0.124		Does not Meet the Convergent validity
KS1				0.615	Meet the Convergent validity
KS2				0.902	Meet the Convergent validity
KS3				0.620	Meet the Convergent validity

KS4	0.720	Meet the Convergent validity
KS5	0.511	Meet the Convergent validity
KS6	0.367	Does not Meet the Convergent validity
KS7	0.863	Meet the Convergent validity
KS8	0.169	Does not Meet the Convergent validity

Based on the result above, there are 4 indicators that have a value of loading factor under 0.5 which is the ALK1, APK5, KS6 and KS8. ALK1 indicator on financial statements accessibility (ALK) with loading factor value of 0.213.APK5 indicator on accountability of regional financial management with loading factor value of -0.124.KS6 and KS8 indicator on stakeholder trust (KS) with loading factor value of 0.367 and 0.169. This means the four indicators do not meet the convergent validity, so it must be removed from the model.

After the invalid indicator is removed from the model, PLS Algorithm analysis is performed again for phase II testing. The result of outer evaluation of phase II model showed that all indicators have a value of loading factor more than 0.5, so it is stated to meet convergent validity.

Figure 1. Model of Measurement and Structural
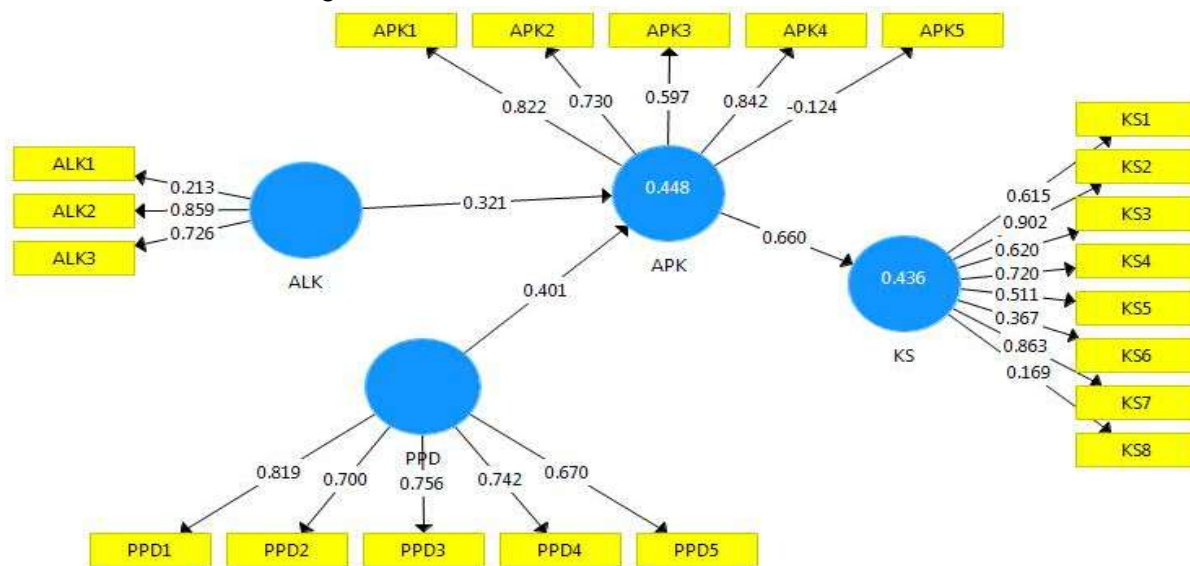
b. Discriminant validity

Validity discriminant used to prove that the latent constructs predict the size of the construct better than the size of the other constructs. Discriminant validity was tested by analyzing the value *cross loading* for each variable in which the construct being measured is greater than the other constructs.

Table 2. Result For Cross Loading

I / K	ALK	PPD	APK	KS
ALK2	*0.859*	0.654	0.554	0.511
ALK3	*0.726*	0.409	0.376	0.517
PPD1	0.582	*0.819*	0.579	0.563
PPD2	0.401	*0.699*	0.280	0.644
PPD3	0.702	*0.756*	0.452	0.667
PPD4	0.377	*0.740*	0.385	0.528
PPD5	0.374	*0.670*	0.523	0.616
APK1	0.447	0.368	*0.822*	0.460
APK2	0.477	0.591	*0.739*	0.464
APK3	0.404	0.503	*0.589*	0.500
APK4	0.414	0.401	*0.841*	0.552
KS1	0.257	0.501	0.308	*0.558*
KS2	0.586	0.752	0.599	*0.913*
KS3	0.496	0.553	0.382	*0.626*
KS4	0.448	0.599	0.445	*0.726*
KS5	0.387	0.403	0.492	*0.516*
KS7	0.446	0.642	0.546	*0.881*

c. Composite Reliability

After the validity test, data reliability test is done by looking at the composite reliability value. To test the reliability of the variables/constructs to analyze the reliability of composite value is used to test the accuracy of the indicator in measuring the variables/constructs. The value of the composite reliability of each variable is above 0.7 so that all variables are declared reliable.

Table 3. Composite Reliability

Cunstruct	Composite reliability	Description
ALK	0.796	Meet the composite reliability
PPD	0.875	Meet the composite reliability
APK	0.838	Meet the composite reliability
KS	0.860	Meet the composite reliability

Evaluation of Structural Model (Inner Model)

Structural model testing was conducted to see the relationship between variables construct the latent variables. Inner model was evaluated by using the coefficient of determination (R^2) and predictive relevance (Q^2).

a. Testing coefficient of determination (R²)

The testing coefficient of determination (R²) was conducted to predict the strength of structural models. The test results of R-Square can be seen in Table 4.

Table 4. The value of R-Square

Construct	R Square	Description
APK	0.445	Moderate
KS	0.440	Moderate

Based on Table 4, this Shows that the value of R square (R²) shows the value of 0.445 for the construct APK. Which means that the financial statements accessibility (ALK) and supervision of regional government implementation (PPD) are able to explain the accountability of regional financial management (APK) of 44.5% and the balance of 55,5% is explained by other variables outside the ALK and PPD variables. Then R square (R²) shows the value of 0.440 for the construct KS which means that the accountability of regional financial management (APK) is able to explain the stakeholder trust (KS) 44% and the balance of 56% is explained by other variables outside the APK. According to the Rule of Thumb (Hair et al, 2014: 186), the value of 0.445 and 0.440 indicates that the model is categorized moderate.

b. Relevance Predictive Testing (Q²).

Measurement of observed values generated by the model is done by testing the relevance of predictive (Q-Square). The results of the analysis of Q-Square can be seen in Table 5.

Table 5. Values Q-Square

Construct	Q Square	Description
APK	0.191	Predictive relevance medium
KS	0.152	Predictive relevance medium

Based on table 5 above, Q-Square is 0.445 so that it can be stated that the research model has medium predictive relevance (Hair et al, 2014: 186).

c. Hypothesis Testing

Hypothesis testing is done by analyzing the value of the path coefficients (path coefficients) after Bootstrapping. Hypothesis testing is done by comparing the value of the t-statistic with t-table value. In addition to test the hypothesis can be done by analyzing the significance of P-

Value compared to the error rate specified in the study. The results of the analysis of path coefficients (path coefficients) are presented in Table 6 below:

Table 6. Path Coefficients

Hypothesis	Original Sample (O)	T Statistics (O/STDEV)	P Values	Description	Decision
ALK -> APK	0.293	1.737	0.042	Significant	Accepted hypothesis
PPD -> APK	0.434	2.471	0.007	Significant	Accepted hypothesis
APK -> KS	0.663	3.611	0.000	Significant	Accepted hypothesis

Based on the result above, we can be known the value of T-Statistics, significance value of P Value, relation between variables and coefficient value of each variable. The first hypothesis states that The influence of financial statement accessibility against regional financial management accountability. Hypothesis test showed that t-statistic equal to 1.737 bigger than t-table equal to 1.68 with significance value of p-value equal to 0.042 less than 0.05. Then the first hypothesis which financial statements accessibility (ALK) has positive effect to regional financial management accountability (APK) is proven and acceptable. The results of this study indicated that financial statements accessibility (ALK) have a significant and positive effect on regional financial management accountability (APK). This means, the better financial statements accessibility will affect the increasing regional financial management accountability.

The second hypothesis is the influence of regional government implementation supervision against regional financial management accountability. The result of hypothesis test showed that t-statistic value is 2.471 bigger than t-table equal to 1.68 and with value of p-value equal to 0.007, less than alpha 5% (0.05), hence second hypothesis which stated the regional government implementation supervision has positive effect to regional financial management accountability accepted. The results of this study indicated that the regional government implementation supervision (PPD) have a significant and positive effect on regional financial management accountability (APK). This means, the increasing of the regional government implementation supervision will affect the increasing regional financial management accountability.

Third hypothesis is the effect of regional financial management accountability on stakeholder trust. The hypothesis test showed that t-statistic equal to 3.611 bigger than t-table equal to 1.68 and with p-value significance value equal to 0.000, less than 0.05, the hypothesis 3 expressing regional financial management accountability (APK) have positive effect to the stakeholder trust (KS) is accepted. The results of this study indicated that the regional financial

management accountability (APK) has a positive and significant effect on stakeholder trust (KS). This means that, increasing regional financial management accountability, it will further higher of stakeholder trust on regional government in Dompu.

CONCLUSION

The results showed that the financial statements accessibility and supervision of regional government implementation were partially positive and significant influence toward the accountability of regional financial management. Similarly with the accountability of regional financial management has positive and significant influence toward the stakeholder trust. The results of this study provide evidence that the financial statements accessibility has a positive and significant effect on the accountability of regional financial management. The better financial statements accessibility makes the accountability of regional financial management in the Dompu City is increasing.

SUGGESTION

Suggestions that could be stated in this research. first suggested to the regional government in Dompu to further improve the regional financial management accountability optimally. It is necessary to apply the financial statements accessibility, because of the important way to share information about regional financial management to the public as the principal. so that the public knows how the financial management accountability has been implemented. In addition, regional governments must implement supervision of regional government implementation continuously, because the supervisory function is to provide assurance to the public that the accountability of regional financial management has been realized with reasonable. And ultimately by increasing accountability it will be easy to gain stakeholder trust.

Second suggestions, for the other researchers needs to be studied more in depth other variables that are not included in the study were about improving regional financial management accountability and the stakeholder trust such as organization commitment, the work ethic, organizational structure, management control and so on. In addition, the object of the research limited at regional government in Dompuregency, cannot be the conclusion of the other regional government or organization.

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