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Public Leadership and Financial Performance Reporting

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Abstract

The development paradigm that is currently developing states that economic growth is an indication of the success of development, so the higher the economic growth of a country, the greater the development results it produces, especially development in the field of human resources. Human development is seen not just as a factor that contributes to the continual advancement of economic growth, but also as a significant element in the long-term progress of the economy. The effectiveness of development, demonstrated through diverse metrics, is intricately linked to the existence of a leader who remains steadfast in their visionary, transparent, and participative leadership, placing community welfare at the forefront of their policy-making. Policies governing extensive budget allocations wield considerable influence over public administration. Hence, the governance of the government should uphold professionalism, effectiveness, efficiency, and accountability, rooted in the principles of sound public administration. This study seeks to investigate the impact of public leadership on the financial accomplishments within the region, supported by comprehensive financial performance reports. The research method used is mixed methods using a case approach and data collection using observation, documentation and literature study techniques. The research results show that leaders who are disciplined in planning and implementing programs oriented towards community welfare, economic growth, alleviating poverty and unemployment as well as facilitating and increasing the potential they have intelligently, firmly and courageously in preparing and making policies will provide outputs and outcomes that provide satisfaction with its stakeholders and the trust of those it leads. Moreover, in terms of financial performance reporting, it provides an Unqualified Opinion (WTP) which will increase the accountability of its leadership. The City of Kediri under the leadership of Abdullah Abu Bakar, during his 2 (two) periods of leadership through visionary, innovative, participative, transparent public leadership and commitment to improving the welfare of its people has provided several achievements in his leadership, especially obtaining an Unqualified Opinion (WTP) assessment from Financial Audit Agency (BPK) eight times in a row in 2015 - 2022.

Keywords: *Public Leadership, Regional Finance, Financial Performance Reports*

1. Introduction

The Republic of Indonesia's government is entrusted with safeguarding the entirety of its people and the nation, fostering their well-being, nurturing the nation's livelihood, and contributing to the establishment of a global order founded on independence, everlasting peace, and social justice. (Paragraph IV Preamble to the 1945 Constitution)

After the 1998 reform, many programs have been implemented by the Government to improve the welfare and intelligence of society, but there are still several things that remain homework for the Government in the future, such as improving and equalizing the quality of human resources

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as measured through the human development index (human development index), eradicating corruption, as well as equitable economic growth and prosperity in all Indonesian provinces.

The Human Development Index (HDI) in Indonesia itself is considered to be uneven, where based on geography, the provinces in Indonesia are divided into 3 (three) parts, namely the provinces in the western Indonesia area, the provinces in the central Indonesia area and the provinces in the eastern Indonesia area. (BPS, 2020)

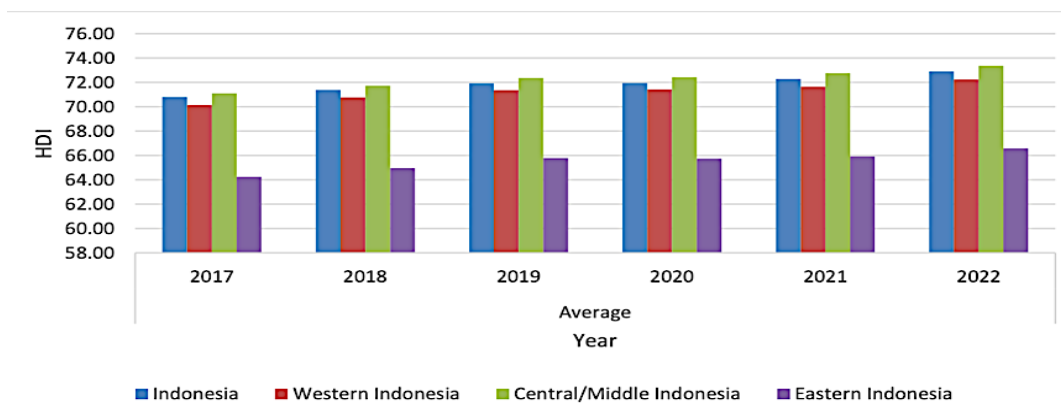


Figure 1: Indonesian Human Development Index Based on Provincial Area Division.

Source: Processed Data (Kesuma, Wijaya and Auliansyah, 2023).

The Human Development Index (HDI) comprises three key dimensions: Health, Education, and Standard of Living. Health is evaluated through life expectancy at birth, Education is measured by the average years of schooling for adults aged 25 and older, and the expected years of schooling for children entering that age group. Meanwhile, the Standard of Living dimension is gauged by the gross national income per capita (BPS, 2017).

The HDI serves as a crucial tool for the Government in shaping its policies to attain outlined objectives. It influences decisions like the allocation of General Allocation Funds (DAU) to various regions and serves as a foundational element for macro assumptions in the DPR-RI's formulation of the State Revenue and Expenditure Budget (APBN). Additionally, in the creation of Regional Incentive Funds (DID), components of the HDI, such as expected years of schooling, average length of schooling, and per capita expenditure, serve as pivotal indicators. The HDI effectively portrays how individuals access the outcomes of development in terms of income, health, education, and more.

According to data from the Central Bureau of Statistics (BPS) in 2023, Indonesia's HDI displayed an average annual increase of 0.72 percent between 2020 and 2023, rising from 72.81 in 2020 to 74.39 in 2023 (Figure 2). This improvement was observed across all dimensions—longevity and health, knowledge, and a decent standard of living. In terms of longevity and healthy living, infants born in 2023 have an expected lifespan of 73.93 years, marking a 0.23-year increase compared to those born in the preceding year. Regarding the knowledge dimension, the expected length of schooling (HLS) for the 7-year-old population increased by 0.05 years, from 13.10 to 13.15 years, while the average length of schooling (RLS) for individuals aged 25 years and above rose by 0.08 years, from 8.69 to 8.77 years in 2023. Similarly, the dimension of decent living standards, gauged by the average real per capita expenditure per year (adjusted), saw a rise of 420 thousand rupiah (3.66 percent) compared to the previous year.

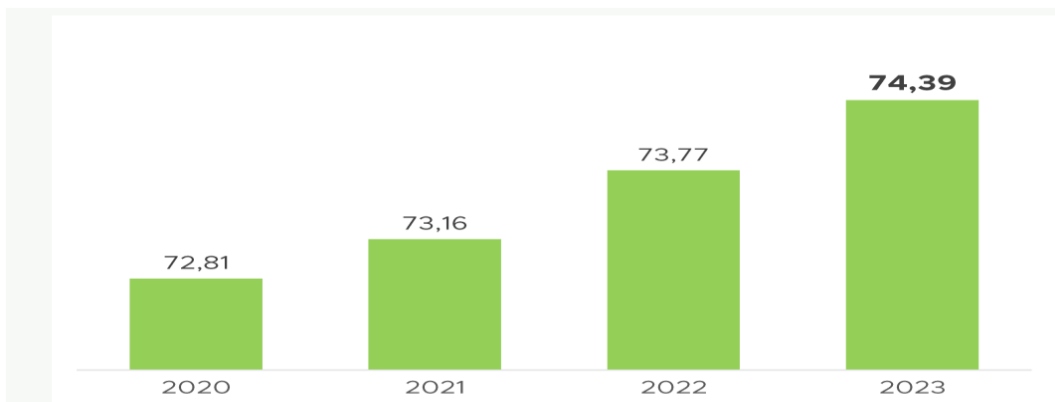


Figure 2: Indonesian Human Development Index 2020 – 2023.

Source: BPS, 2023.

This HDI is also used to rank the development performance of various countries in the world. Based on the HDI index, countries in the world are grouped into three, namely: (UNDP, 2022)

- Countries are considered to have a low level of human development (low human development) if their HDI value falls between 0 and 0.50.
- Countries fall into the category of having a medium level of human development (medium human development) if their HDI value ranges between 0.50 to 0.79.
- Countries are classified as having a high level of human development (high human development) if their HDI value ranges between 0.79 to 1.

Referring to Indonesia's 2023 HDI value of 74.39, it is included in the category of countries in the medium human development level group. Therefore, the Indonesian government needs to work hard, so that in 2045 a Golden Indonesia can be realized, namely an Indonesia that is on par with other developed countries in the economic and social welfare fields.

The development paradigm that is currently developing states that economic growth is an indication of the success of development, so the higher the economic growth of a country, the greater the development results it produces, especially development in the field of human resources. This is because human development is not only considered a contributor to the stable process of economic growth, but also as an important factor in economic growth over time.

However, it is well recognized that the success of development with its various indicators cannot be separated from the presence of a leader who is consistent in his visionary, transparent, participative leadership role and prioritizes the welfare of his community in the various policies he produces. Eldison (2022), the role of leaders is very substantial in determining all policies and their implementation as well as in creating a conducive environment. Various breakthroughs need to be made, starting from structural changes, skills aspects in understanding internal cooperation with subordinates and externally, namely with private institutions, stakeholders. In addition, it is necessary to understand and carry out integrative culture and various value transformations that must be carried out for organizational development and anticipating a developing environment. What is no less important is understanding the moral/mental accountability inherent in a leader. Leaders not only manage within an organization but can also set an example for subordinates to carry out tasks as a given responsibility.

Considering that when handling village funds, there's a significant risk of administrative and substantive errors. These errors could potentially lead to legal issues due to the insufficient

expertise of the village head and officials in managing finances, reporting, and ensuring accountability (Rukmini, et al, 2023). In public institutions, a leader's success is often gauged by the organization's performance, particularly those dealing with public finances. Government Regulation Number 12 of 2019 outlines that regional financial management encompasses various aspects, such as planning, execution, administration, reporting, accountability, and oversight of regional finances. Effective financial management plays a pivotal role in an organization's sustainability and growth. Besides being crucial for the organization's survival, sound financial management significantly impacts the assessment of its public accountability. Public accountability signifies the government's responsibility to transparently manage all public resources and activities. The reliability of management is also influenced by public transparency, emphasizing the public's right to information and access based on genuine openness.

Suyanto (2018) in his writing stated that as a Top Leader in a public organization in the financial sector it is necessary to establish leadership values that must be possessed and implemented by the leadership and all employees in carrying out their daily duties and work, with full integrity, professionalism and synergy. , service and perfection.

1. Integrity encompasses the commitment of leadership and all public servants in upholding ethical and moral standards consistently in their thoughts, words, behaviors, and actions.
2. Professionalism signifies the dedication of leaders and public servants in executing their duties with utmost competence, accuracy, responsibility, and a strong sense of commitment.
3. Synergy refers to the collective commitment of leadership and all employees within the Ministry of Finance to foster productive internal collaborations and constructive partnerships with stakeholders. This collaboration aims to produce valuable and high-quality work.
4. Service embodies the commitment of leadership and all Ministry of Finance employees to deliver services that meet stakeholder satisfaction. These services are rendered wholeheartedly, transparently, promptly, accurately, and securely.
5. Perfection reflects the ongoing efforts of leadership and all Ministry of Finance employees to continuously improve in all areas, striving to achieve and provide excellence consistently.

According to Suyanto (2016), a leader should possess power in the aspects of vision and self-confidence. This assertion is based on the understanding that power constitutes a potent motivator crucial for a manager or leader to succeed in steering an organization (referred to as the need for power). Through wielding power, a manager or leader garners support from others. This implies that influence and power are imperative for a manager or leader to effectively accomplish their objectives in efficiently managing their organization's performance.

The characteristics of the Regional Government as a pure non-profit organization make this organization unique, which is very different from business companies. Regional governments have a big responsibility in the economic and social fields together. Measurement of Regional Government performance must consider economic and social indicators in addition to the applicable provisions in Government Regulation of the Republic of Indonesia number 8 of 2006 concerning comprehensive Financial and Performance Reporting of Government Agencies which includes:

1. In the National Economic Conditions sector:
 - a. Gross domestic product growth rate

- b. Real gross domestic product per capita
 - c. Savings rate
 - d. Regional financial deficit/surplus.
 - e. Domestic and foreign debt.
 - f. Gold and foreign exchange reserves.
2. In the Business Environment sector, for example; Economic freedom index, Property rights protection, Corruption perception index and Bank freedom.
 3. In the Stability and Development sector, for example: Income distribution, wage parity for male/female workers, unemployment rate, political participation, number of refugees, legal certainty, number of private and public vehicles and regional security conditions.
 4. The health sector includes birth and death rates, life expectancy, death rates, health care programs, health expenditure, comparison of population with doctors/medical personnel and nutritional adequacy of the population.
 5. The Education Sector includes: Level of educational participation, Education budget, Quality of teaching staff, Adequacy of educational facilities and infrastructure, Average level of community education and Equity of education.

Apart from evaluating performance management, the Financial Audit Agency (BPK) conducts performance audits that encompass examinations of economic and efficiency aspects, along with assessments of effectiveness. These audits, commonly performed for management purposes by internal government oversight officials, align with Article 23 E of the 1945 Constitution of the Republic of Indonesia. This article mandates the BPK to scrutinize the performance of state financial management. In government practice, performance audits aim to verify that activities funded by state or regional finances are conducted economically, efficiently, and achieve their objectives effectively. Ultimately, these audits generate recommendations for improvement, ensuring that state-funded endeavors align with their intended goals and utilize resources optimally.

2. Research Methods

Based on the research objectives, the chosen method for the research is a mixed methods approach. Sugiyono (2012) defines mixed research methods as a research methodology that integrates both quantitative and qualitative methods in a study. This combination allows for a more comprehensive, valid, reliable, and objective collection of data during research activities. By utilizing both quantitative and qualitative approaches simultaneously, researchers can gather a more thorough and robust understanding of the subject under study. Meanwhile, the approach uses a case study that explores a particular social unit (in this case a public organization) with the result being a complete and organized picture. (Suryana, 2010). The research location is the Kediri City Government, with the consideration that it has obtained BPK opinions eight times in a row from 2015 to 2022. Data collection methods use observation, documentation and literature study. Sampling used a purposive sampling technique, namely deliberately selecting informants who came from members of the Kediri City Government budget committee and the Kediri City DPRD Budget Agency. Meanwhile, data analysis uses the Miles and Hubberman model, the analysis in this view includes three activity streams, namely data reduction, data presentation, and drawing conclusions. (Miles and Hubberman, in Saldana 2014)

3. Research Results and Discussion

Leading a public organization, namely as Head of the Unitary State of the Republic of Indonesia or Regional Head, not only requires legality based on election results, but also requires a figure who is visionary, transparent, participative and trustworthy (abiding by applicable laws and regulations). In a country, of course a competent leader is needed. One of the functions of a leader is to be a figure and a representative for his group, but in this case the context is a regional head who represents his group or can be called his people. A leader will not be far from the word power.

Hulser (Harahap, 2023) believes that leadership is a process of influencing other people to achieve predetermined goals. In the process of leadership, there is a distribution of power, this distribution is not the same between the leader and his members. Leaders have influence on their members so that their members can carry out the tasks that have been given. To become a leader, a person must have aspects related to values, skills and a good leadership style so that members can carry out the tasks given by the leader well.

Leadership style is essentially a collection of traits and behaviors utilized by leaders to guide their subordinates toward achieving goals. It embodies a distinct pattern of actions and strategies that leaders favor and frequently employ (Sedarmayanti, 2017). According to Robert in Robbins & Coulter (2016), leadership style represents an individual's capacity to influence, inspire, and empower others to contribute to an organization's effectiveness and success. In essence, it encapsulates the consistent approach adopted by leaders within the workplace. This approach aligns with the perceptions of subordinates and entails actions that resonate with their understanding and expectations.

Hersey-Blanchard states that there are four different leadership styles, each suited to a particular level of employee development. These styles are:

1. **Directing:** This is the lowest level leadership style, where new employees require direct instructions. Leaders provide clear instructions, regular follow-up, and motivation to help followers progress to the next level of ability. As a leader, you need to direct and pay high attention to tasks, not to relationships with direct reports, because relationships are seen as not existing and are still low.
2. **Coaching:** In this style, the leader acts as a coach, offering advice and encouragement to involve followers in their development. There is less “telling” and more “suggesting” to motivate followers to progress.
3. **Supportive:** This style is follower-driven, with the leader focusing on building relationships and providing support. Followers have the ability to perform the task but may lack confidence or motivation. The leader's role in this case is to provide the necessary support to help their followers succeed.
4. **Delegating:** This is another follower-driven style, where followers can perform tasks at a sustainable and acceptable level, with confidence and motivation. The leader's role is to create and enhance task mastery and autonomy, thereby enabling followers to take ownership of their work.

The Hersey-Blanchard model emphasizes the importance of leaders adapting their leadership methods depending on the abilities and willingness of their followers. This approach can result in more effective leadership, improved employee performance, and an overall better work environment.



Figure 3: The Four Leadership Styles.

Source: Whitehead, John. 2016 (<https://johnkwhitehead.ca/situational-leadership/>).

This situational leadership style is often used by Regional Heads, especially the Mayor of Kediri as Public Leadership through inner firmness planning, implementation, administration, reporting, accountability and financial supervision the public institution he leads.

From a planning perspective, the Mayor of Kediri must present an annual activity plan in each APBD referring to its vision and mission. This planning will later become a guideline or benchmark for implementing activities to achieve the vision and mission with available resources.

Referring to the indicators of good planning, according to Siagian (2004), plans must be practical, broad, and make it easier to achieve predetermined goals, so the Mayor of Kediri in preparing the year's budget plan is always based on considerations related to changes in funding framework assumptions, development priorities and targets, regional program and activity plans, as well as changes to the nomenclature of regional apparatus, are also based on considerations of economic conditions (GRDP and economic growth and regional inflation rates in the previous year, human development index, percentage of poor people, figures life expectancy and so on) as listed in the following table.

Table 1: Kediri City RPJMD 2019 - 2022 from the Community Welfare Aspect.

No.	Indikator	Satuan	2018	2019	2020	2021	2022
1	Pertumbuhan PDRB	%	5,43	5,47	-6,25	2,5	3,95
2	Inflasi	%	1,97	1,83	1,93	1,64	5,76
3	PDRB Per Kapita	Juta Rupiah	447,22	484,48	461,67	491,27	527,93
4	Indeks Gini	%	0,33	0,32	0,35	0,37	0,37
5	Persentase Penduduk Miskin	%	7,68	7,16	7,69	7,75	7,23
6	Indeks Pembangunan Manusia (IPM)	indeks	77,58	78,08	78,23	78,6	79,59
7	Angka Melek Huruf 15+	%	97,48	97,59	98,18	97,79	97,83
8	Angka Rata-rata Lama Sekolah	Tahun	9,91	9,92	9,93	10,15	10,45
9	Angka Harapan Hidup	Tahun	73,8	73,96	74,02	74,04	74,34
10	Persentase Balita Gizi Buruk	%	0,07	0,04	0,11	0,04	0,07
11	Tingkat Partisipasi Angkatan Kerja-TPAK	%	65,09	64,6	66	67,35	69,93
12	Tingkat Pengangguran Terbuka-TPT	%	3,56	4,15	6,21	6,37	4,38
13	Indeks Kepuasan Masyarakat	indeks	-	3,41	3,48	3,51	3,52
14	Opini BPK	Opini	-	100	100	100	100
15	Pencapaian Skor Pola Pangan Harapan (PPH)	%	88,36	89,74	90,4	90,57	90,6
16	Persentase Penanganan Daerah Rawan Pangan	%	61	62,3	62,7	63	100
17	Pertumbuhan Industri	%	-	8,67	12,12	18	79,46

Source: BPS Kediri City, Processed (2022).

Leadership aspects of the Mayor of Kediri for 2018 – 2022 in carrying out daily tasks and work with integrity, professionalism, synergy, service and perfection in general so that it has succeeded in improving the welfare of its people in terms of handling food insecure areas which has reached 100% (one hundred percent in 2022, Life Expectancy has increased to 74.34 in 2022 compared to 2018 which was 73.8. GRDP growth has also increased after Covid 19 pandemic, -6.25 in 2020 to 3.95 in 2022 and reduced the percentage of poor people from 7.67% at the start of the Covid-19 pandemic (2020) to 7.23% in 2022. The human development index also increased even though there is the Covid-19 pandemic, namely from 77.58% in 2018 to 79.59% in 2022.

Soleh and Asrini (2019) stated that financial reports are one of the factors in assessing an organization's performance from budget preparation to reporting. Presentation of financial reports is very important in accountability reports because it is a measuring tool in assessing the organization's financial performance and enforcing financial accountability.

Judging from the public budget for which it is responsible, the following is the Realization of Kediri City Revenue for 2018 – 2022. (BPS Kediri City, 2023)

Table 2: Realization of Kediri City Government Revenue 2018 – 2022 (in Thousands of Rupiah).

Sumber Pendapatan	Tahun 2018	Tahun 2019	Tahun 2020	Tahun 2021
Pendapatan Asli Daerah (PAD)	249.093.229,50	266.745.042,40	262.886.289,22	439.896.279,12
a. Pajak Daerah/Local Taxes	100.112.983,00	115.891.296,50	112.204.944,29	115.831.411,16
b. Retribusi Daerah/Retributions	11.662.528,00	11.991.620,40	10.293.135,65	10.185.300,71
c. Hasil Perusahaan Milik Daerah dan Pengelolaan Kekayaan Daerah yang Dipisahkan	1.539.840,70	1.513.099,40	1.209.685,60	701.149,14
d. Lain-lain PAD yang Sah/Other Original Local Gov. Revenue	135.777.877,80	137.349.026,10	139.178.523,68	313.178.418,11
Dana Perimbangan	996.859.584,00	1.042.645.161,20	989.006.560,74	1.040.498.864,87
a. Bagi Hasil Pajak	94.899.202,90	84.682.163,10	93.426.868,88	50.301.035,42
b. Bagi Hasil Bukan Pajak/Sumber Daya Alam	67.464.332,50	51.262.411,00	44.866.285,59	138.630.011,67
c. Dana Alokasi Umum	606.558.865,00	637.453.134,00	579.131.566,00	569.724.453,00
d. Dana Alokasi Khusus	111.321.491,50	120.773.716,60	137.021.477,20	107.095.067,37
e. Dana Penyesuaian dan Otonomi Daerah	18.250.000,00	0,00	40.907.528,00	46.996.613,00
f. Dana Insentif Daerah	0,00	31.846.958,00	93.652.835,07	124.863.165,41
g. Dana Bagi Hasil Pajak dari Provinsi dan Pemerintah Daerah Lainnya	98.365.692,10	116.626.778,50	0,00	2.888.519,00
Lain-lain Pendapatan yang Sah	32.535.788,40	30.015.471,50	31.200.919,27	19.640.955,06
a. Pendapatan Hibah	26.591.978,40	26.793.452,50	28.089.036,27	19.444.450,00
b. Pendapatan Lainnya	5.943.810,00	3.222.019,00	3.111.883,00	196.505,06
Total	1.278.488.601,90	1.339.405.675,10	1.283.093.769,23	1.500.036.099,05

Data Source: BPS Kediri City (2023).

Kediri City's actual income per year on average from 2018 - 2022 has increased by 6% (six percent), even though there was a total decrease in regional income for the city of Kediri in 2020 as a result of the Covid-19 pandemic. However, the leadership style of the Mayor of Kediri has a Strong Leadership concept that is consistent, transparent and builds certainty in every policy for implementing development in the City of Kediri. A Strong Leader is a leader who dares to make bitter decisions that may not be popular (Taus, 2016). This was also

acknowledged by Amin Rais in Taus (2016), that power is not an opportunity to rule, but is a mandate and responsibility that must be carried out honestly, bravely and intelligently. Amanah serves the community to guarantee and prosper the people it leads.

Regional expenditure encompasses all obligations recognized as a decrease in the net assets' value within a fiscal year (according to UU 33 of 2004). This includes expenses from the Regional General Cash Account that diminish the current fund equity and represent regional obligations not expected to be repaid in that fiscal year (outlined in PP No. 58 of 2005 concerning Financial Management). As per the Ministry of Finance of the Republic of Indonesia (2017), regional spending represents the allocation of funds by regional governments towards public services, essentially manifesting as investments in public welfare and community needs.

There are four main posts in regional expenditure, namely the Personnel Expenditure post, the Goods and Services Expenditure post, the Capital Expenditure post, and other expenditure posts. Through regional spending, information is obtained on spending priorities carried out by regional governments which can have an impact on the welfare of their citizens.

Table 3: Realization of Kediri City Government Expenditures 2018 – 2022 (in Thousands of Rupiah)

Jenis Belanja	Tahun 2018	Tahun 2019	Tahun 2020	Tahun 2021
Belanja Tidak Langsung	549.558.308,38	549.262.500,00	639.300.311,54	685.460.848,83
a. Belanja Pegawai	436.714.503,64	446.144.874,57	456.191.891,26	535.870.253,05
b. Belanja Bunga	0,00	0,00	0,00	0,00
c. Belanja Subsidi	0,00	0,00	0,00	0,00
d. Belanja Hibah	57.227.271,93	52.407.697,00	59.194.438,32	85.721.120,30
e. Belanja Bantuan Sosial	54.857.838,88	49.926.626,77	18.778.921,16	31.726.430,91
f. Belanja Bagi Hasil kepada Provinsi/Kota/Kota	0,00	0,00	0,00	0,00
g. Belanja Bantuan Keuangan kepada Provinsi/ Kota/ Kota dan Pemerintah Desa	727.060,68	726.827,73	765.362,90	497.376,10
h. Belanja Tidak Terduga	31.633,25	56.473,93	104.369.697,90	31.645.668,47
Belanja Langsung	688.186.948,49	763.642.890,35	568.391.299,44	642.890.401,67
a. Belanja Pegawai	127.839.637,41	134.661.143,74	122.262.463,84	0,00
b. Belanja Barang dan Jasa	427.121.160,05	446.221.785,52	347.814.126,51	538.306.472,08
c. Belanja Modal	133.226.151,03	182.759.961,09	98.314.709,09	104.583.929,59
Total	1.237.745.256,87	1.312.905.390,35	1.207.691.610,98	1.328.351.250,50

Data Source: BPS Kediri City (2023),

The data presented in Table 3 reflects a notable decrease in direct employee spending within the Kediri city government's expenditure. This decline signifies an enhancement in the quality of regional spending. A reduced allocation from the APBD towards apparatus spending indicates a positive shift, allowing the optimization of APBD resources for other purposes more closely linked to public services. These include capital spending for constructing community facilities or supporting initiatives that effectively boost the regional economy, such as enhancing connectivity through building new roads and bridges. Conversely, grant spending has shown an increase. This surge in expenditure is attributed to efforts aimed at mitigating the

impact of the Covid-19 pandemic. The city government has escalated support to Micro, Small, and Medium Enterprises (MSMEs) in an endeavor to sustain the regional economy during these challenging times. This increased assistance to MSMEs aligns with strategies aimed at bolstering the local economy amidst the pandemic's repercussions.

From the results of the realization of income and expenditure, the Kediri city government has experienced a budget surplus from 2018 - 2022. The regional budget surplus can be budgeted for debt principal payments, regional capital participation (investment), providing loans to the central government/other regions, and establishing reserve funds (for example: for regional election funds, for infrastructure development).

The improvement in the financial condition of the Kediri City regional government shows that the regional government's financial condition and its ability to develop the region as a whole is in accordance with various indicators supporting financial performance which can be seen from the provision of opinions by the BPK from 2015 - 2022. (BPK East Java Province, 2023).

Performance Reports serve as a means of holding government agencies accountable for executing their assigned tasks and functions, particularly concerning budget utilization. The most crucial aspect in preparing a performance report lies in measuring and evaluating performance, alongside sufficiently disclosing the outcomes derived from these assessments. However, in this case the performance indicators are not only related to income and expenditure issues, but also how planning, budgeting and implementation as well as reporting and accountability meet applicable regulations and have an impact.economic and efficiency aspects, as well as examination of effectiveness aspectsCommunity welfare programs based on regional budgets carried out by the BPK produce values that reach 100% (Unqualified Opinion/WTP).

Based on Audit Result Report number 69.A/LHP/XVIII.SBY/05/2023 and 69.B/LHP/XVIII.SBY/05/2023 dated 23 May 2023, the BPK has carried out an audit of the Financial Report of the Kediri City Government for Fiscal Year 2022 .and provide an unqualified opinion (WTP). (<https://jatim.bpk.go.id/examination-results/lhp-lkpd/lkpd-kota-kediri-an-2022-wtp/>)

The BPK (Financial Audit Agency) operates under the presumption that the financial reports of the Kediri city government have been fairly presented and comply with Government Accounting Standards. This encompasses various elements such as the financial position of the Kediri City Government as of December 31, 2022, budget realization, variations in surplus budget balances, operational data, cash flow, and alterations in equity for the fiscal year ending in.

Talking about public organizations, namely government at the central, provincial and district/city levels, a leader is needed who has a high commitment to the welfare of the community, is disciplined in carrying out work programs in accordance with applicable regulations, is firm and brave in making decisions and intelligent in order to increase potential and innovation in their region which will ultimately lead to increasing the welfare, intelligence and standard of living of the people in their region. This is as stated by Taus (2016), there are 6 (six) criteria for leaders to become strong leadership, namely: (1) Courage, (2) Firmness, (3) Commitment, (4) Discipline, (5) Intelligence and (6) Fast, precise and correct decision making.

4. Conclusion

In government or bureaucratic organizations, the main duties of a Regional Head have been clearly stated in the statutory regulations. It only remains for the Regional Leader to have the

ability to make policies based on the assumptions used to manage the regional income and expenditure budget to achieve the vision, mission and goals. during his leadership period.

Leaders who are disciplined in planning and implementing programs oriented towards community welfare, economic growth, alleviating poverty and unemployment as well as facilitating and increasing the potential they have intelligently, firmly and courageously in formulating and making policies will provide outputs and outcomes that provide satisfaction with its stakeholders and the trust of those it leads. Moreover, in terms of financial performance reporting, it provides an Unqualified Opinion (WTP) which will increase the accountability of its leadership.

The City of Kediri under the leadership of Abdullah Abu Bakar, during his 2 (two) periods of leadership through visionary, innovative, participative, transparent public leadership and commitment to improving the welfare of its people has provided several achievements in his leadership, especially obtaining an Unqualified Opinion (WTP) assessment from Financial Audit Agency (BPK) eight times in a row in 2015 - 2022.

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