PROFESSIONALISM, INTERNAL CONTROL SYSTEM, INNOVATION, AND PERFORMANCE OF REGIONAL GOVERNMENT IN INDONESIA

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ABSTRACT
Research on government performance is growing, but research on the professionalism of State Civil Apparatus (ASN), internal control systems, and innovation on local government performance is still rarely conducted. This research was conducted to determine the influence of ASN professionalism, internal control systems, and innovation on the performance of local governments in Indonesia. This research used secondary data with a purposive sampling method. The sample used was 490 district/city governments in Indonesia in 2021. The results of this research are that ASN professionalism, internal control systems, and innovation have a positive influence on government performance. This research implied that by knowing the effect of ASN professionalism, internal control systems, and innovation on performance, regional governments can carry out evaluations so that they can make better policies, strategies, and implementation to create government administration that is efficient, effective, beneficial to the public and regional development and motivate local governments to provide the best for the public.
Keywords: government performance, professionalism, internal control, innovation.

1. Introduction

The government is a steward which must provide the best service for the public (principal) and be accountable for the activities that have been carried out. As a form of accountability to the public, the government makes government performance report based on the Government Agency Performance Accountability System (SAKIP). In 2021, the district/city governments that received a SAKIP score of "Good (B)" and above were 66.54% and none achieved the highest score of "Very Satisfactory (AA)" as shown in Table 1. Performance accountability has an important role, especially for evaluation and improvement as an effort to improve performance and realize effective, efficient, and accountable government. Solomon and Rahmayanti (2023) stated that performance accountability improves the implementation of bureaucratic reform. Pribadi (2021) stated that performance accountability positively affects public satisfaction.

Table 1. Details of SAKIP scores "Good (B)" and above for district/city governments in 2021

District/City Government Population	Predicate				Total	%
	AA (Very Satisfactory)	A (Satisfactory)	BB (Very Good)	B (Good)		
508	-	12	54	272	338	66,54%

Source: Kemen PANRB (2022)

One of the key factors for successful government administration is human resources or State Civil Apparatus (ASN). The quality of ASN can be seen from its professionalism (Oliveira et al., 2023). From the performance report data of the State Civil Service Agency

(BKN) in 2021, the score of the ASN Professionalism Index (IP ASN) nationally is 44.60 (very low category) even though to achieve a high ASN IP category, a value of 81 and above is required. In addition, nationally in 2021, the small number of ASN (3,853,199 people) compared to the total population in Indonesia (272,682,500 people) or 1.41% makes ASN have to work harder to provide for the needs of the public (BKN, 2022). Research on the effect of ASN professionalism on government performance using IP ASN is still rarely conducted. Previous research mostly used questionnaires and literature reviews, such as Jumas et al. (2023) stated that ASN professionalism affects the success of the procurement of goods and services to improve government performance. Oliveira et al. (2023) that ASN professionalism plays a role in improving government performance and reducing corruption. Langgeng and Mega Fitrya (2023) that ASN professionalism affects performance accountability. Other research by Anggraini and Syofyan (2020) and Wardayati et al. (2022) stated that the performance of the Financial and Development Supervisory Agency (BPKP) auditors is not influenced by professionalism, whereas BPKP auditors are internal monitors of government performance.

Apart from ASN professionalism, the internal control system is also closely related to realizing efficient and effective government, reliable financial reporting, protecting assets, and compliance with regulations. To see the maturity of the implementation of the Government Internal Control System (SPIP), it can be seen from the SPIP maturity level (BPKP Regulation No. 5 of 2021). Based on BPKP data in 2021, the highest SPIP maturity level was at level 3 obtained by 231 district/city governments or 45.57% of the total 508. The role of SPIP is important in government as has been researched by Saleh and Rahadian (2023) a less strong internal control system is the cause of local governments failing to get an unqualified opinion on their financial statements. Yudanto and Pesudo (2020) also stated that SAKIP is positively influenced by SPIP, but it is different from Setiawan et al. (2022) that the weakness of the internal control system has no impact on local government performance accountability.

Other factors that support government performance is regional innovation. Innovation is made to support government performance to get better, meet the needs of an increasingly diverse public, and face the changing times that are increasingly fast and sophisticated. To see the implementation of regional innovation and as evaluation material, regional innovation is assessed using the Regional Innovation Index (IID) (Minister of Home Affairs Regulation No. 104 of 2018). In 2021, according to data from the Ministry of Home Affairs (Kemendagri), the number of district governments that received the highly innovative predicate was 71 and the number of city governments was 12. Meanwhile, 234 district governments and 60 city governments received the innovative predicate (Ministry of Home Affairs, 2022). Quite many district/city governments have made innovations but their implementation does not always run smoothly. These obstacles such as leadership, infrastructure, budget, organizational culture, policies, and public mindset (Faozanudin, 2020). Yunita (2017) stated that by innovating, government outcomes and outputs can increase rapidly thereby improving government performance. Mahpudin (2022) that innovation increases public trust and satisfaction through improving public services. Zulkifli (2020) that public service innovation affects government performance. Meanwhile, Lukman (2021) stated that there are thousands of regional innovations but many are only applied in a short time. This failure made improvements in governance ineffective. Adyawarman (2021) stated that there are still many obstacles to implementing innovation in the Batang district government and this creates criticism that reduces the value of the government.

Considering the importance of ASN professionalism, internal control systems, and regional innovation in improving government performance, this research was conducted to add to the literature and provide information, and evaluation for local governments to pay more attention to these matters. This research can also be a source for the government in making policies, strategies, and improvements to create better government performance and the

benefits are increasingly felt by the public.

2. Literature Review

2.1. Stewardship Theory

Stewardship theory according to Donaldson and Davis (1991) states that managers as stewards are not concerned with personal interests but focus on the interests and goals of the organization. The application of stewardship theory is very appropriate in the public sector because the government (steward) is a public servant (principal), as in the research by Yudanto and Pesudo (2020), Yusmina and Siswantoro (2023), and Jatmiko (2020). Local governments are tasked with managing resources from the public which are the owners of resources and strive to provide the best service for public satisfaction. In addition, the principal which is the trust giver also has the right to the steward as the trust holder to be held accountable for the activities carried out for the use of these resources (Yusmina and Siswantoro, 2023).

As accountability and a means of seeing the success or failure of the implementation of activities carried out by the government, local government performance is measured. To support the performance of local governments so that local government services are increasing, reducing fraud, and making governance more effective and efficient which ultimately achieves the goal of public satisfaction and local governments becoming good stewards, professional ASNs are needed, a mature internal control system and regional innovation.

2.2. Local Government Performance

Local government performance is the achievement of measurable output/outcomes from activities carried out by regional governments concerning the funds that have been used (Presidential Regulation No. 29 of 2014). Before bureaucratic reform, government performance measurement was only measured by comparing inputs and outputs and focused on budget absorption by comparing targets and realization. But nowadays, government performance measurement is not only done by looking at the outputs but also by looking at the outcomes (Mardiasmo, 2018). Whether the output has functioned or is useful as it should be, especially for the public.

To see these performance achievements, local governments are required to make performance reports every three months and every year. This report contains a summary of the implementation of the government's duties or performance in using the budget entrusted to it to produce something useful for the benefit of the public (Presidential Regulation No. 29 of 2014). The annual performance report will later be paired with the annual financial report as a form of accountability for the use of the Regional Government Budget (Government Regulation No. 8 of 2006). The performance report is prepared based on the Government Agency Performance Accountability System (SAKIP), a systematic series used continuously containing data, conclusions, and reports as accountability for government performance (Presidential Regulation No. 29 of 2014).

To see the extent of government performance accountability, a Government Agency Performance Accountability (AKIP) evaluation was carried out. This evaluation consists of elements of planning, measurement, performance reporting, and internal performance accountability evaluation (Minister of PANRB Regulation No. 88 of 2021). From the results of this evaluation, it will be seen which government have implemented SAKIP well and which government still needs improvement. The evaluation results or SAKIP index consists of 7 predicates consisting of AA (very satisfactory), A (satisfactory), BB (very good), B (good), CC (sufficient/adequate), C (poor), and D (very poor).

The AA predicate means that performance has been carried out in all work units and the measurement is up to the individual level. Predicate A means that results-oriented government change has been realized and performance measurement has reached the echelon 4 level.

Predicate BB means that performance accountability has been implemented very well in 2/3 of the work units and up to the echelon 3 level. Predicate B means that one-third of the work units have carried out performance accountability well, especially the main work units, with little improvement, and performance measurement has reached the echelon 2 level. Predicate CC means that performance accountability is quite good but there are still many improvements that are not fundamental. Predicate C means that SAKIP is not yet reliable and still needs fundamental improvements at the central level. Predicate D means that SAKIP is not reliable, it still needs a lot of fundamental improvements. The higher the SAKIP index value means that the government's performance has been managed well, governance is realized, and the government becomes more efficient. (Minister of PANRB Regulation No. 88 of 2021).

This is in line with the research of Kahar et al. (2023) stated that the SAKIP evaluation results are used to see bureaucratic performance in local government. Irwansyah et al. (2022) stated that the results of the SAKIP evaluation show how well local governments perform on the funds it manages. Hasibuan and Khomsiyah (2020) showed that high accountability leads to increased public supervision so that the government performs better.

2.3. ASN Professionalism

Professionalism is a person's ability to carry out professional duties based on their skills, knowledge, and expertise (Langgeng and Mega Fitrya, 2023). In carrying out their work, ASNs are required to be professional because ASNs are one of the keys to successful government performance. ASN acts as a public servant, a supporter of government activities, and an implementer of government policies (Minister of PANRB Regulation No. 38 of 2018). The quality of ASN is measured through the ASN Professionalism Index (IP ASN) which consists of the elements of qualification, competence, performance, and discipline (BKN Regulation No. 8 of 2019). Qualification is seen from formal education, competence is seen from non-formal education and training, performance is seen from the achievements, benefits, and behavior of ASN, and discipline is seen from the history of disciplinary punishment. IP ASN consists of 5 categories, namely very high (score 91-100), high (81-90), medium (71-80), low (61-70), and very low (below 60). The higher of the IP ASN value means that the ASN is more professional in carrying out its duties.

Research on the role of ASN professionalism in improving government performance was conducted by Langgeng and Mega Fitrya (2023) stated that ASN professionalism affects improving government performance through increasing performance accountability. Oliveira et al. (2023) stated that professionalism reduces the level of corruption and supports improved government performance. Jumas et al. (2023) stated that ASN professionalism in procuring goods and services helps government performance improve because the implementation of government procurement becomes more effective and efficient. This means that the higher the professionalism of ASN, the higher the government's performance. Based on this, the hypothesis of this research is as follows:

H1: ASN professionalism has a positive effect on local government performance

2.4. Internal Control System

The internal control system is all continuous actions taken to ensure that organizational objectives are achieved effectively and efficiently, financial reports are reliable, protecting assets, and compliance with applicable regulations (Government Regulation No. 60 of 2008). In government, this system is called the Government Internal Control System (SPIP). SPIP must be carried out by every government so that accountability, efficiency, effectiveness, and transparency in state financial management are achieved (Government Regulation No. 60 of 2008). To assess the maturity or suitability of SPIP implementation, every year a SPIP maturity assessment is conducted. This assessment focuses on three components, namely goal setting,

structure and process, and goal achievement (BPKP Regulation No. 5 of 2021). The SPIP maturity level consists of 5 levels, namely level 1 (pioneering), 2 (developing), 3 (defined), 4 (managed and measurable), and 5 (optimum). The higher the SPIP maturity level means that the government is increasingly able to define its performance, able to achieve government goals with relevant and integrated strategies, perform effectively control, and be able to adapt to change. The minimum level expected to be achieved by local governments is level 3 (BPKP, 2022).

In government implementation, SPIP is the main focus because with SPIP accounting fraud can be prevented (Hidayati et al., 2022), the quality of financial statements increases (Heinrich and Probohudono, 2023), and can help local governments obtain an unqualified audit opinion (Saleh and Rahadian, 2023). In addition, with the mature implementation of SPIP, government performance accountability will also increase (Rahmasari and Setiawan, 2022) and (Yudanto and Pesudo, 2020). This means that the more mature the SPIP implementation, the more government performance will improve. Therefore, the hypothesis of this research is as follows:

H2: The internal control system has a positive effect on local government performance

2.5. *Regional Innovation*

As a continuous improvement effort, the government needs to make improvements and changes. These efforts are carried out by making innovations. Regional innovation is any form of renewal, which consists of innovations in public services, governance, and other fields related to local government affairs (Government Regulation No. 38 of 2017). Regional innovation is not only related to the use of information and communication technology (digital) but can also use manual tools that have standard operating procedures (non-digital) (Regional Innovation R and D Center, 2021). To see how innovative government institutions are and to spur government creativity in creating innovations, an assessment is carried out in the form of a regional innovation index (IID). The criteria required for the IID are that it is partially/completely renewed, is beneficial to the community and the region, does not impose or limit the community, is a regional authority, and can be applied in other regions (Government Regulation No. 38 of 2017). The regional innovation index categories consist of highly innovative (score 60-100), innovative (30-59.99), less innovative (0.01-29.99), and cannot be assessed (0) (Regional Innovation R and D Center, 2021). Highly innovative means that the local government has successfully applied innovation and its impact is useful for regional progress.

Innovation has many benefits in government, as has been researched by Mahpudin (2022) innovation can increase public trust and satisfaction because public services become faster, easier, and cheaper. Zulkifli (2020) stated that innovation affects government performance. Yunita (2017) also stated that with innovation, government outcomes and outputs can increase rapidly and improve government performance. This means that by innovating, the government will be encouraged and motivated to be more creative and the results of these innovations can improve government performance. Therefore, the hypothesis of this study is as follows:

H3: Regional innovation has a positive effect on local government performance

3. Research Methods

This research uses quantitative methods with secondary data. Data were obtained from the Kemen PANRB, the BKN, the BPKP, the Ministry of Home Affairs, and the BPK. Sample selection was carried out using a purposive sampling method, namely only district/city governments that have complete data on the measurement of all variables. From the total population of 508 district/city governments throughout Indonesia, a sample of 490 district/city governments was obtained. The data used in this study is 2021 because the SPIP maturity

measurement refers to the latest regulation, BPKP Regulation No. 5 of 2021 which came into effect in 2021 and the ASN professionalism index in 2022 changed to the BerAKHLAK index whose measurements are different (Kemen PANRB, 2023).

The dependent variable in this study is local government performance as measured by the SAKIP score. Meanwhile, the independent variables are ASN professionalism measured by the ASN professionalism index, the internal control system measured by the SPIP maturity level, and regional innovation measured by the regional innovation index. In addition, this study uses the control variables of regional financial dependency and regional assets. Operational definitions and variable measurements are available in Table 2. This study uses multiple linear regression analysis tools processed using SPSS 26 because it tests the relationship and direction of the relationship between the dependent variable and two/more independent variables at once and because the data used is cross-section data. Before conducting multiple linear regression testing, descriptive statistical tests and classical assumption tests were carried out. The regression equation of this study:

$$LCGP = \alpha + \beta 1 PROF + \beta 2 GICS + \beta 3 INOV + \beta 4 FCDP + \beta 5 ASET + e \ (1)$$

Notes:

LCGP	= local government performance
α	= constant
$\beta 1,2,3,4,5$	= coefficient of determination
PROF	= ASN professionalism
GICS	= internal control system
INOV	= regional innovation
FCDP	= regional financial dependence
ASET	= regional assets
e	= error

Table 2. Operational Definition and Variable Measurement

Variable	Measurement	Scale	Source
Dependent variable			
Local Government Performance (LCGP)	SAKIP index (Minister of PANRB Regulation No. 88 of 2021)	Ordinal	Ministry of State Apparatus Utilization and Bureaucratic Reform (Kemen PANRB)
Independent variable			
ASN Professionalism (PROF)	ASN Professionalism Index (IP ASN) (Minister of PANRB Regulation No. 38 of 2018 and BKN Regulation No. 8 of 2019)	Ratio	State Civil Service Agency (BKN)
Internal Control System (GICS)	SPIP maturity level (BPKP Regulation No. 5 of 2021)	Ordinal	Financial and Development Supervisory Agency (BPKP)
Regional Innovation (INOV)	Regional Innovation Index (IID) (Government Regulation No. 38 of 2017)	Ratio	Ministry of Home Affairs (Kemendagri)
Control variable			
Regional financial dependence (FCDP)	Transfer revenue / total revenue (Zukhri, 2020)	Ratio	Supreme Audit Agency (BPK)
Regional assets (ASET)	Natural logarithm of total assets (Kahar et al., 2023)	Ratio	Supreme Audit Agency (BPK)

Source: Own editing

4. Research Findings and Discussion

Based on the results of descriptive statistical tests in Table 3, it is known that for regional performance, 46 district/city governments have a minimum SAKIP score of 2 (predicate C/poor) and 12 district/city governments have a maximum SAKIP score of 6 (predicate A/satisfactory). The average local government has a SAKIP score of 3.75 with a standard deviation of 0.86. This shows that the average district/city government obtained a SAKIP predicate of B (good), which means that one-third of the work units (especially the main work units) have carried out performance implementation well, but still need a little improvement.

For ASN professionalism, the Puncak Jaya district government (Papua) was the institution that obtained the lowest ASN IP score (17.18/very low) and the Padang Panjang city government (West Sumatra) obtained the highest score (74.05/moderate). The average value of IP ASN is 40.37 and the standard deviation is 10.32. This means that the average professionalism of ASNs in the district/city government is in the very low category. Based on the BKN Performance Report in 2021, one of the contributing factors is the low competency element. This is because institutions or employees do not make changes to competency data in the system, have difficulty obtaining education and training certificate documents, and some seminars do not issue certificates.

In the internal control system, the minimum value of SPIP maturity is 1 (pioneering) obtained by 10 district/city governments and the maximum value is 3 (defined) obtained by 238 district/city governments with an average of 2.47 and a standard deviation of 0.54. This indicates that the average district/city internal control system is at level 2 (developing), which means that institutions have been able to make quality performance plans, but performance achievement strategies and controls have not been implemented effectively.

For regional innovation, the minimum value of the regional innovation index is 0.00 (cannot be assessed) in 17 district/city governments and the maximum value is 84.19 (very innovative) obtained by the Banyuwangi District Government (East Java). The mean value is 35.77 and the standard deviation is 18.99, which means that the average district/city government is in the innovative category.

The control variable of regional financial dependency is measured using the regional dependency ratio which compares transfer income with total regional income (Zukhri, 2020). The minimum value of 0.32 was obtained by the Badung District Government (Bali) and the maximum value of 1.00 was obtained by the Mamberamo Raya District Government (Papua). The average value of 0.84 and standard deviation of 0.10 means that on average, many district/city governments still depend on funds and assistance from the central or provincial governments in the administration of their government.

Another control variable, regional assets, is measured using the natural logarithm of total regional assets. The minimum value of regional assets is 793,316,941,979.53 owned by the Pariaman City Government (West Sumatra) and the maximum value is 47,023,936,026,338.00 owned by the Surabaya City Government (East Java). Average assets of 3,777,227,167,508.59 and standard deviation of 4,543,963,364,122.28.

Table 3. Descriptive Statistics (N=490)

Variable	Minimum	Maximum	Average	Standard Deviation
Dependent Variable				
LCGP	2	6	3,75	0,86
Independent Variable				
PROF	17,18	74,05	40,37	10,32
GICS	1	3	2,47	0,54
INOV	0,00	84,19	35,77	18,99
Dependent Variable				
FCDP	0,32	1,00	0,84	0,10
ASET	793.316.941.979,53	47.023.936.026.338,00	3.777.227.167.508,59	4.543.963.364.122,28

Source: Researcher data

Before carrying out the multiple linear regression test, a classical assumption test is carried out. As a result, the regression model in this study has met the requirements of the classical assumption test, namely normally distributed, free of multicollinearity and heteroscedasticity. The autocorrelation test was not carried out because this research data uses cross-section data. The relationship (correlation) between variables is shown in table 4.

Table 4. Correlation Matrix

	LCGP	PROF	GICS	INOV	FCDP	ASET
LCGP	1.000					
PROF	0.379*	1.000				
	(0.000)					
GICS	0.424*	0.294*	1.000			
	(0.000)	(0.000)				
INOV	0.448*	0.368*	0.322*	1.000		
	(0.000)	(0.000)	(0.000)			
FCDP	-0.475*	-0.311*	-0.341*	-0.423*	1.000	
	(0.000)	(0.000)	(0.000)	(0.000)		
ASET	0.341*	0.198*	0.316*	0.313*	-0.702*	1.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	

Note: significance level 0.05 *

Source: Researcher data

The multiple linear regression test results are shown in Table 5 which produces the regression equation:
$$LCGP = 4.719 + 0.013PROF + 0.358GICS + 0.009INOV - 2.361FCDP - 0.025ASET + e$$

Table 5. Multiple Linear Regression Test

Variable	PROF	GICS	INOV	Sig.	Description
Constant	4.548	6.554	5.478	4.719	
	(0.063)	(0.006)	(0.023)	(0.041)	
PROF	0.021*			0.013*	Positive
	(0.000)			(0.000)	
GICS		0.479*		0.358*	Positive
		(0.000)		(0.000)	
INOV			0.014*	0.009*	Positive
			(0.000)	(0.000)	
FCDP	-3.231*	-3.375*	-2.944*	(-2.361)*	Negative
	(0.000)	(0.000)	(0.000)	(0.000)	
ASET	0.036	-0.040	0.009	-0.025	Not significant
	(0.625)	(0.587)	(0.905)	(0.719)	
R^2	0.371				
Adjusted R^2	0.365				
F test	57.168			0.000	

Note: significance level 0.05 *

Source: Researcher data

The adjusted R^2 value of 0.365 means that the dependent variable is explained 36.5% by the independent variable, while the rest by variables outside the study. The F test result of 0.000 means that the local government performance variable is jointly influenced by the variables of ASN professionalism, internal control system, regional innovation, regional financial dependence, and regional assets.

The results of the ASN professionalism t-test show a probability value of 0.000 less than 0.05 with a coefficient value of 0.013. This means that ASN professionalism has a positive

effect on local government performance, supporting the first hypothesis. The higher the professionalism of ASN, the higher the performance of the local government. High professionalism means that ASNs have high education, competence, and knowledge to support the implementation of their duties, and performing well, behaving well, and being disciplined helps the implementation of better government and public services thereby ultimately improving government performance. These results are in line with research by Langgeng and Mega Fitrya (2023) that ASN professionalism improves the performance of public institutions through increased performance accountability, Oliveira et al. (2023) that professionalism reduces the level of corruption and improved government performance, and Jumas et al. (2023) stated that ASN professionalism in the procurement of goods and services improves government performance by making the procurement of goods and services more effective and efficient. Meanwhile, research by Anggraini and Syofyan (2020) and Wardayati et al. (2022) contradict these results which stated that the performance of BPKP auditors is not influenced by professionalism, where whether or not the implementation of government performance is supervised by BPKP as an internal government supervisor.

The probability value of the internal control system of 0.000 below 0.05 with a coefficient of 0.358 means that the internal control system has a positive effect on local government performance, this supports the second hypothesis. The more mature the implementation of the internal control system, means that local governments are increasingly able to make performance planning appropriately, create appropriate performance implementation and control strategies, and adapt to changes so that agency goals and government performance can be achieved effectively and efficiently. These results are in line with the research of Hidayati et al. (2022), Heinrich and Probohudono (2023), and Saleh and Rahadian (2023) that with a strong internal control system, accounting fraud can be prevented, the quality of financial statements increases, and helps local governments obtain unqualified audit opinions. Research by Rahmasari and Setiawan (2022) and Yudanto and Pesudo (2020) showed that the implementation of mature SPIP would improve government performance accountability. Meanwhile, Setiawan et al. (2022) are not in line with these results, that the weakness of the internal control system has no impact on the accountability of local government performance.

The results of the regional innovation test show that the probability value of 0.000 is less than 0.05 with a coefficient of 0.009. This means that the third hypothesis is accepted, that regional innovation has a positive effect on local government performance. With more and more local governments innovating, it will further improve local government performance. Improvements and changes made by local governments through innovations in public services, government governance, and other innovations that support local government administration will help government implementation become more efficient and effective, and the results can be felt directly by the public and the region. This result follows Mahpudin's research (2022) stated that innovation increases public trust and satisfaction through improved public services because they become faster, easier, and cheaper. In addition, research by Zulkifli (2020) and Yunita (2017) also stated that by innovating, institution outcomes and outputs will increase rapidly and improve institution performance. This result is not in line with Lukman's research (2021) that many innovations have been carried out in the regions, but many are only applied for a short time so improvements in governance are ineffective. In addition, Adyawarman's research (2021) also stated that there are many obstacles in the implementation of innovation, which results in criticism from the public and lowers the value of the government.

The test results of the regional financial dependence control variable show a significance value of 0.000 less than 0.05 with a coefficient of -2.361. This means that regional financial dependence has a negative effect on local government performance. The higher the level of regional financial dependence, the lower of local government performance. The more local governments rely on funds and assistance from the central or provincial government, making

local governments less creative, initiative, and struggle to generate their local revenue, making changes to improve public services and local government performance (Nugraheni and Adi, 2020). Local governments are considered unable to carry out their resource management authority, making their performance poor (Qowi et al., 2017). The large amount of funds received from the central government can also lead to potential corruption due to less strong direct supervision from the central. These results are in line with Qowi et al. (2017) that local government performance is negatively affected by the level of central government dependence and Lestari et al. (2019) that government performance accountability is negatively affected by the level of regional dependence. This result contradicts with Noviyanti and Kiswanto (2016) that dependence on the central government positively affects the financial performance of local governments, Nugraheni and Adi (2020) and Aulia and Rahmawaty (2020) showed that transfers from the central have no effect in improving regional financial performance due to the non-optimal use of these funds.

For the regional asset control variable, the test results obtained a significance value of 0.719 more than 0.05 with a coefficient of -0.025. This means that regional assets do not affect local government performance. The size of regional assets does not affect improving local government performance. This is because regional assets have not played a significant role in improving government performance (Nugroho and Prasetyo, 2018). The use of regional assets is not optimal, asset security is not optimal, and there are idle assets that, if used properly, can generate high regional income and improve public services to be more effective and efficient. This is in line with research by Nugroho and Prasetyo (2018) and Noviyanti and Kiswanto (2016) that government financial performance is not influenced by size proxied by total assets. Contrary to research by Kahar et al. (2023) that assets have a positive effect on performance, Setiawan et al. (2022) that local government size (total assets) has a positive effect on government accountability, and Nugraheni and Adi (2020) that government size (total assets) positively affected government financial performance.

5. Conclusion

This research aimed to examine the effect of ASN professionalism, internal control system, and regional innovation on local government performance. The results of this study are that ASN professionalism, internal control system, and regional innovation have a positive effect on government performance. For control variables, regional financial dependence has a negative effect on government performance and regional assets do not affect government performance. High ASN professionalism, mature internal control, and regional innovation can support ASN in carrying out its government duties, making public services better, effective, and efficient, preventing fraud and anticipating risks that will occur, and being adaptive to change so that government performance is getting better.

Recommendations for the government to improve its performance are to increase ASN professionalism, SPIP maturity, and regional innovation. Enhancing performance through ASN professionalism is carried out by increasing the number of training and study assignments, giving ASNs opportunities to take part in training and study assignments, providing clear rewards and punishments, and using electronic presence. Improving performance through SPIP maturity is carried out by increasing the socialization and implementation of integrated SPIP which includes elements of SPIP, risk management, APIP capability, and corruption control, increasing the role of APIP as supervisors and consultants. Improving government performance through innovation is carried out by providing rewards for ASNs which provide the best innovations that are beneficial to local government and the public, facilitating and supervising the implementation of innovations.

The implication of this research is to theoretically improve empirical studies regarding the influence of ASN professionalism, internal control systems, and regional innovation on

local government performance. For its practical implications, this research is used as material for local governments to further improve this and make better policies, strategies, and implementation to create efficient, effective government governance, and benefit the public and regional development.

The limitation of this research is that the SPIP maturity indicator adjusts the latest regulation, namely BPKP Regulation No. 5 of 2021 and the ASN professionalism indicator uses Minister of PANRB Regulation No. 38 of 2018 which is valid until 2021 because in 2022 the ASN professionalism index changes to the BerAKHLAK Index with different measurements (Kemen PANRB, 2023). For future research, it can increase the research period and use other variables that affect government performance. In addition, samples of ministries/institutions and provincial governments can be used to enrich research on local government performance.

Acknowledgements

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