

Analysis of Performance Assessment System of Public Expenditure Treasurer at Directorate General of Treasury, Regional Office of Bangka Belitung Province

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Abstract—This case study aims to analyze the performance assessment system of the public expenditure treasurer, and provide suggestions to improve the quality of the assessment, which can be implemented by the Directorate General of Treasury, Regional Office of the Bangka Belitung Province. The research methodology involved interviews, literature study, and a questionnaire survey. The analysis was done by qualitative description of the public expenditure treasurer performance assessment system. The proposed Key Performance Index (KPI) used SMART-C principle and KPI weighting was determined using the AHP method. The results showed that the KPI used in the public expenditure treasurer's performance assessment is not entirely in accordance with the main task expected of this role. The research also suggests a more relevant KPI for the performance assessment. The results are expected to be used as a proposal to improve the quality of the performance assessment system, and also as a consideration to improve the quality of performance management within the Directorate General of Treasury.

Keywords—*performance assessment, public expenditure treasurer, key performance index, KPI, BSC, AHP, 360 degree*

I. INTRODUCTION

One of the areas of change in bureaucratic reforms is the field of human resources, which aims to create high-integrity, professional, neutral, competent, high-performance, and prosperous employees. The Ministry of Finance has implemented an employee performance assessment system, which is a part of the performance management system using the Balanced Scorecard (BSC) method. All the assessed employees are required to have a performance contract (KK), which is a document of mutual agreement between employees and their direct supervisor. The content of KK includes employee performance goals (SKP) and targets in the form of key performance indicators (IKU), which must be achieved within a certain period.

The specific employee IKU should reflect the overall duties and performance of employees in their daily work. The position of public expenditure treasurer is an important one, requiring special competence in the management of state finances. Consequently, the performance assessment of this role requires a specific measurement index. However, in

practice, the KK used by the public expenditure treasurer is still the same KK that used by the department's financial staff in the General Division.

The Minister of Finance Regulation (PMK) 162/2013 [1] states that the main task of the treasurer is to receive, store, and pay cash in its management. Furthermore, the treasurer is also obliged to administer and account for the cash under his/her management using supporting documents. Tasks that are not included in the IKU will have a negative impact. For example, the level of compliance and submission of tax reports by the expenditure treasurer of the Babel Regional Office is still low. The tax report submitted by the expenditure treasurer is limited to only the Annual Tax Report (SPT), while the monthly SPT is never delivered.

Thus, this research will analyze the performance assessment system of the expenditure treasurer at Babel Regional Office. Then, the results of the analysis will be used to prepare more relevant IKU proposals for the performance assessment of the expenditure treasurer of the Babel Regional Office, based on the existing theory and current regulations. The methodology for preparing the IKU proposal comprises using the BSC model, determining IKU criteria with the SMART-C principle, and weighting IKU with the AHP method.

The remainder of this paper is structured as follows. The next section presents the literature review, followed by the research methodology and findings, and finally the conclusions.

II. LITERATURE REVIEW

A. Goal-Setting Theory

Locke and Latham in Lunenburg [2] said that employee behavior and performance in management and organizational practices are pervasively influenced by the objectives of the employee. In summary, purpose is defined as something that a conscious individual wants to achieve. These objectives will affect employee behavior and performance, as well as motivate them to be able to perform at a certain level in order to achieve the desired goals.

Employees will perform better when required to achieve a specific goal. This specific objective should have clear measurement indicators. Thus, the employee can know what should be achieved and can measure the extent to which progress has been implemented.

B. Compliance Theory

Etzioni in Lunenburg [3] developed the Compliance Theory describing an innovative approach to an organizational structure. Coercive Power uses force and coercion to direct the behavior and performance of members, Utilitarian Power uses remuneration and rewards, while Normative Power uses intrinsic rewards such as exciting work, goal identification, and contributes to society.

C. Theory of Existence, Relatedness, and Growth (ERG Theory)

According to Caulton [4], the ERG theory is a form of motivational construct associated with the understanding of the factors that influence the behavior of an individual, which can be useful for improving the performance of individuals within an organization. According to the ERG theory, human needs are structured in a hierarchy consisting of:

1. Existence needs: The needs for existence are related to the physical well-being of the individual.
2. Relatedness needs: The needs for attachment related to social interaction and relationships with others.
3. Growth needs: The needs for growth related to self-development.

In the ERG theory, individuals may be able to return to meet the needs of the lower levels, if the needs at the higher level are not satisfied. As a simple example, an employee who does not obtain a career development opportunity may return to meet financial needs.

D. Performance Assessment

Based on previous research, various opinions exist about the meaning of performance assessment, including the following:

1. According to Wether and Davis [5], performance assessment is an organizational process to evaluate the performance of employees.
2. According to Bacal [6], performance assessment is a communication process between employees and their manager on an ongoing basis. This process involves a good understanding of the tasks assigned, expectations of achieving goals, how employees contribute to organizational goals, how performance outcomes are measured, and how employees, along with their superiors, are committed to maintaining and improving performance.
3. According to Rivai [7], performance appraisal is a useful tool for decision-making. It can be used to determine whether employees have delivered results in accordance with their performance standards.

Dessler [8] argues that performance assessment consists of three steps as follows:

1. Defining work: Defining a job means that employees have agreed with their manager about the assigned task and the specified standard.
2. Assessing performance: Assessing the work by comparing the outcome of the task with a predetermined standard.
3. Providing feedback: Employees' feedback and progress are discussed with their supervisor(s), including further plans and future developments.

Regarding performance assessment, Cascio [9] explains that various parties can play the role of an appraiser, including the direct supervisor, co-worker, subordinate, self, customer, and 360° feedback.

E. Key Performance Indicator (IKU)

Rozner [10] states that in the context of government, one of the ways to determine a qualified IKU is by using SMART criteria. However, differences in definitions may occur due to the adjustment of individual organizational characteristics. According to Rozner, the SMART criteria are as follows:

1. Specific. IKU should be able to clearly illustrate the government's actions to the public.
2. Measureable. IKU must be measurable with a definite value unit.
3. Achievable. IKU must be able to measure something that is in a program or activity that is controlled.
4. Relevant. IKU should be able to measure the most important results in an activity.
5. Time-Bounded. Performance indicators should have a time limit.

F. Balanced Scorecard (BSC)

BSC is a performance measurement model with a strategy as a starting point translating into its performance measure [11]. The word "balance" means that performance is measured on a balanced, financial and non-financial, and short-term and long-term basis, as well as depending on internal and external factors.

Hopf et al. [12] explain four BSC perspectives on the government sector:

1. Financial

In the government sector, the financial perspective is measured by how effectively and efficiently an organization exerts efforts to meet its needs. Therefore, the financial perspective in the government sector emphasizes the ability to deliver maximum value to customers.

2. Customer

This perspective emphasizes the outcome of internal business processes that lead to financial success and customer satisfaction.

3. Internal Business Process

This perspective emphasizes the outcome of internal business processes that lead to financial success and customer satisfaction.

4. Learning and Growth

This perspective considers employees' abilities, the quality of information systems, and the effect of alignment between sections in the support of achieving organizational goals.

G. Analytic Hierarchy Process (AHP)

AHP is a decision-making method developed by Thomas L. Saaty. The three main steps in this process include formation of hierarchies, determination of logical priorities, and consistency.

1. Hierarchy Formation

According to Saaty and Vargas [13], a complex system can be more easily understood by splitting it into the elements of a hierarchy and then assessing the importance of those elements at each level of the hierarchy.

2. Priority Determination

Priority determination is performed by numerical sequencing measured in the ratio scale. Priority can be used to choose the alternative with the highest value (ideal mode) or to allocate the part of the alternative in proportion (distributive mode). The first step in setting priorities is to make a pairwise comparison matrix. Each element in each of the criteria is compared, and this process is repeated for each alternative, as illustrated by Fig. 1.

$$\begin{pmatrix} w_1 & w_1 & \dots & w_1 \\ \frac{w_1}{w_2} & \frac{w_1}{w_2} & \dots & \frac{w_1}{w_2} \\ \frac{w_1}{w_3} & \frac{w_1}{w_3} & \dots & \frac{w_1}{w_3} \\ \vdots & \vdots & \ddots & \vdots \\ \frac{w_1}{w_n} & \frac{w_1}{w_n} & \dots & \frac{w_1}{w_n} \end{pmatrix} \begin{pmatrix} w_1 \\ w_2 \\ \vdots \\ w_n \end{pmatrix} = n \begin{pmatrix} w_1 \\ w_2 \\ \vdots \\ w_n \end{pmatrix}$$

^a. Source: Saaty dan Vargas [13]

Fig. 1. Pairwise Comparison Matrix

Then, to fill the value in the pairwise comparison matrix, a scale is used, which represents the importance of one element to another. Table 1 shows the scale used in AHP to fill the matched pair matrix values.

TABLE I. SCALE VALUE OF PAIRWISE COMPARISON MATRIX

Intensity of Importance	Definition	Explanation
1	Equal importance	Two activities contribute equally to the objective
3	Moderate importance	Experience and judgment slightly favor one activity over another
5	Strong importance	Experience and judgment strongly favor one activity over another
7	Very strong importance or demonstrated importance	An activity is favored very strongly over another; its dominance is demonstrated in practice
9	Extremely strong importance	The evidence favoring one activity over another is of the highest possible order of affirmation
2,4,6,8	The middle value is between two adjacent values	A reasonable assumption
Reciprocal of above	If activity i has a higher value than activity j, then j has value as opposed to	
Rational	Ratio obtained directly from measurement	

^b. Source: Saaty and Vargas [13]

3. Logical Consistency

According to Saaty and Vargas [13], consistent can have two meanings. First, consistent can mean that the same thing will be grouped so as to retain homogeneity. Second, consistent can mean the intensity of the relationship between two things based on certain criteria justifies each other. After calculating the consistency of pairwise comparisons for each level, the overall consistency of the hierarchy also needs to be calculated. The AHP required consistency ratio is less than 0.1.

III. RESEARCH METHODS

This research is an exploratory and sequential mixed method with a case study approach. This exploratory research and the sequential mixed method is preceded by qualitative research to obtain the data. Then, after the data are used for analysis, the resulting information is used for preparing quantitative research instruments [14].

Both primary and secondary data are used in this research. Primary data were obtained from observations, interviews, questionnaires, and documents related to performance assessment. Interview respondents in this study were the parties related to the performance assessment of the treasurer. Parties in question included the public expenditure treasurer, head of Department of Finance as direct supervisors, head of Department of Performance Management as SMKO, and head of Department of Human Resources as SMKP.

The respondent of the AHP questionnaire was the SMKO, whose selection was based on the regulation on performance management within the Directorate General of Treasury, which mentions that the SMKO have authority to approve the draft of KK compiled by employees. Therefore, the authors concluded that the SMKO was a decision maker that qualified to be a respondent of the AHP questionnaire.

This research was conducted by qualitative descriptive analysis of the performance of the expenditure treasurer at the Babel Regional Office. The results of the analysis are used to prepare more relevant IKU proposals for the performance assessment of the expenditure treasurer of the Babel Regional Office. The methods used in preparing the IKU proposal are with BSC model, determination of IKU criteria with SMART-C principle and weighting of IKU by AHP method. The result of the AHP questionnaire is processed by using the Expert Choice Professional Application ver.9.4.

IV. FINDINGS AND ANALYSIS

Since 2012, performance management at the Ministry of Finance has been implemented online using an e-Performance Application (e-performance.kemenkeu.go.id). Briefly, the process of conducting performance assessment at the Babel Regional Office is presented as follows:

1. At the beginning of the year, the expenditure treasurer signs the KK and with the determination of its IKU Manual.

2. The expenditure treasurer inputs IKU and its target into the e-Performance Application.
3. At the end of each quarter, the expenditure treasurer creates a performance result (CKP) and its supporting data, which is then input into the e-Performance Application. For the annual IKU specifically, the values are input at the beginning of the following year.
4. The next process is the assessment of employee behavior. The process undertaken in the e-Performance Application begins with the submission of a prospective appraisal of peer evaluators. Then, after the direct supervisor approves the peer proposal, the value of employee behavior can be submitted.
5. Employees' behavioral assessment will result in their behavioral value (NP), which is a part of the overall employee assessment. The final value of employee performance assessment is NKP and NPKP with the following calculation:

$$\text{NKP} = 70\% \text{ CKP} + 30\% \text{ NP}$$

$$\text{NPKP} = 60\% \text{ SKP} + 40\% \text{ NP}$$

A. Analysis of Expenditure Treasurer's Main Duties

The expenditure treasurer performs the main tasks of the treasury, including the management of cash under his or her control. This cash includes that obtained from UP/GUP, SP2D LS Treasurer, tax deduction, and other cash. The expenditure treasurer is also obliged to administer and account for the cash in its management. This process is implemented by registering all transactions into the SAS Application on the treasurer module. The main output generated is the expenditure treasurer's accountability report (LPJ Treasurer).

In practice, some tasks that should be done by other parties are done by the expenditure treasurer, including the following:

1. Making SPBy on the SAS Application in the PPK Module.
2. The task of making SPP UP/GUP/ TUP/ LS.

In transactions with UP, the expenditure treasurer also collects/deducts the tax if the payment transaction includes taxable transactions as stated in the taxation rules. The Taxation Law explains that every taxpayer must submit SPT both monthly and annually. However, in practice, this tax-reporting obligation has not been thoroughly implemented. The expenditure treasurer of the Babel Regional Office submits only the annual SPT, while the monthly SPT for all taxes is never submitted. The low level of compliance in the reporting of taxation indicates that the implementation of the accountant's responsibility for the expenditure treasurer of the Babel Regional Office has not been fully implemented.

The expenditure treasurer of the Babel Regional Office said that the low level of tax-reporting compliance is due to not fully understanding the tax regulation. In addition, the absence of IKU related to tax reporting makes the expenditure treasurer of the Babel Regional Office prioritize other tasks that have their IKU. This shows that the

compliance factor of the expenditure treasurer is influenced by financial factors. This is consistent with the Utilitarian Power concept in the Compliance Theory put forward by Etzioni in Lunenburg [3].

The expenditure treasurer prefers the task that the IKU is embodied in the KK, although the task is not the main one of an expenditure treasurer, considering that the CKP of the IKU will influence the annual Performance Allowance payment.

B. Analysis of IKU

Among the four perspectives on the strategic map of the Babel Regional Office described earlier, the expenditure treasurer is in the learning and growth perspective. This is because the position of the expenditure treasurer is in the General Division, which is the echelon III unit that serves as a supporting unit for other technical units. From the learning and growth perspective, the IKU is in the Goals Strategic of Professional Human Resources and Optimal Budget Management.

The IKU used in the KK for the expenditure treasurer of the Babel Regional Office are:

1. The score of mastery of hard competency (1a-CP)
2. Percentage of SPM processed accurately (2a-C)
3. Index of the Babel Regional Office financial report in a timely manner (2b-N)
4. Percentage of data reconciliation of financial report accurately and on time (2c-N)
5. Percentage of salary payments/performance allowance/meal allowance/overtime/honorarium of employees delivered accurately and on time (2d-N)
6. Percentage of LPJ Treasurer preparations delivered properly and on time (2e-N)

C. Analysis of IKU Hard Competency Score (1a-CP)

IKU 1a-CP is used to measure employees' understanding of the tasks performed so that the output can be used for their hard competency mapping. The goal is to encourage all employees to continually study and discuss their respective tasks and functions. Methods of measurement using online knowledge tests are held simultaneously.

The CP code indicates that this IKU has a Map Cascading Type, which means that this IKU is cascaded up to the echelon II level as the owner of the strategic map. The CKP score of this IKU will be a part of the CKP score of the performance of the Head of the Babel Regional Office directly.

Types of Cascading Maps create a dilemma for supervising officials. On the one hand, they want the score of CKP IKU 1a-CP of all subordinates to reflect the real level of employees' knowledge. On the other hand, they are also worried that if the score of CKP IKU 1a-CP does not reach the target then it will directly influence the IKU Head of the Regional Office, as well as the IKU of the organization.

The quality of IKU 1a-CP needs to be improved based on the composition of questions in the online test. Although the type of matter has been distinguished according to echelon

IV, where the employee is stationed, the composition of the questions is not much different. The composition of online tests should consider where the employee works.

D. Analysis of IKU Percentage SPM Processed Accurately (2a-C)

IKU 2a-C aims to improve the accuracy of the preparation of SPM, in order to support the absorption of an effective and optimal budget. In accordance with PMK 190/2012 [15], the SPM official (PPSPM) inspects and tests SPP along with supporting documents. If appropriate, the PPSPM will issue SPM. The duration of SPP testing up to the issuance of SPM is as follows:

1. SPP UP/TUP no later than two working days
2. SPP GUP no later than four working days
3. SPP LS no later than five working days

IKU 2a-C is not included among the main tasks of the expenditure treasurer. Since the expenditure treasurer are also the PPSPM staff, this IKU is included as part of their performance assessment.

E. Analysis of IKU Index of Babel Regional Office Financial Report in a Timely Manner (2b-N)

IKU 2b-N aims to improve the quality of compilation and delivery of financial report to the State Treasury Service Office (KPPN). In accordance with the PMK 177/2015 [16], the accounting unit will prepare the financial report in tiers from the UAKPA level to the UAPA level. The UAKPA-level accounting entities are required to submit the financial report to UAPPA-W or UAPPA-E1 on a semiannual and annual basis within specified time limits. The timeliness index is as follows:

- 4 = Financial reports delivered earlier
- 3 = Financial reports delivered on time
- 2 = Financial reports submitted late by less than a week
- 1 = Financial reports submitted late by more than a week

IKU 2b-N is not included among the main tasks of the expenditure treasurer. Since the expenditure treasurer of the Babel Regional Office is also the officer of the financial report, the IKU is included as part of the performance assessment of the expenditure treasurer.

F. Analysis of IKU Percentage of Data Reconciliation of Financial Report in an Accurate and Timely Manner (2c-N)

IKU 2c-N aims to encourage orderly conduct in reconciling financial report data. In accordance with PMK 210/2013 [17], UAKPA is required to carry out reconciliation before preparing the financial report to be submitted to the accounting unit for consolidation purposes. Such reconciliation is conducted between UAKPA and KPPN each month by enclosing the LPJ Treasurer no later than the 10th after the month ends.

IKU 2c-N is not included among the main tasks of the expenditure treasurer. Since expenditure treasurer of the Babel Regional Office also serve as the reconciliation officer, the IKU is included as part of their performance appraisal.

G. Analysis of IKU Percentage of Salary Payments/ Performance Allowance/M Meal Allowance/Overtime/ Honorarium of Employees Accurately and On Time (2d-N)

IKU 2d-N is a form of activity fulfillment of the welfare of the Babel Regional Office employees. This IKU aims to improve the general support of the employees' performance. The implementation of this IKU requires prior agreement between the Department of Finance manager and the employees. This is because in the IKU manual, only a sample of time is given. Agreements between the financial supervisor and the employees relating to the fulfillment of employee entitlements by the expenditure treasurer are as follows:

1. Salary shall be submitted to KPPN no later than the 15th of the month prior to the payment date.
2. The meal allowance shall be submitted to KPPN no later than the first week of every month.
3. Performance allowance shall be paid no later than one day after dropping received from head office.
4. Overtime and monthly honorarium shall be submitted to KPPN no later than the first week of every month and shall be paid no later than one day after SP2D LS Treasurer enters funds into the expenditure treasurer's account.
5. The honorarium of activity shall be submitted to KPPN no later than the first week after the completion of the activity and paid at least one day after SP2D LS Treasurer places funds into the expenditure treasurer's account.

Although there is no detailed rule regarding this matter, the time that has been proposed by the financial supervisor has been received and is known by the employees. The agreement can be used as a parameter as long as it is consistently implemented.

H. Analysis of IKU Percentage of LPJ Treasurer Preparation Properly and On Time (2e-N)

IKU 2e-N is a form of liability account of the expenditure treasurer for the administration of cash under his/her control. This accountability is a form of implementation of article 53 of the State Treasury Law, which states that the expenditure treasurer is answerable to the Minister of Finance as General State Treasurer (BUN), authorized to the Head of KPPN as the BUN Authority in the region.

According to Per-03/2014 [18], the expenditure treasurer is obliged to inform the LPJ Treasurer of monthly expenditure, and such reports shall be submitted to KPPN completely and accurately on the 10th after the month.

Of the six IKU used for performance assessment of the expenditure treasurer, only two are truly relevant for the treasurer's duties as described in PMK 162/2013 [1]. The two IKUs are IKU 2d-N and IKU 2e-N, while IKU 1a-CP is mandatorily allocated to all staff officers.

I. Analysis of CKP Assessment

TABLE II. CKP OF THE EXPENDITURE TREASURER (2016)

IKU Code	Target	Realization	IKU Result Index	IKU Weight	CKP
1a-CP	72	82	113,89%	11%	18,98
2a-C	100%	100%	120%	11%	20
2b-N	3	4	120%	11%	20
2c-N	100%	100%	100%	11%	16,67
2d-N	100%	100%	100%	11%	16,67
2e-N	100%	100%	100%	11%	16,67
				66%	
Final Result					108,98

^c Source: DG of Treasury, Regional Office of Babel Province [19]

Explanation of Table 2 is as follow:

- *) Maximum score of IKU result index is 120%.
- **) IKU 2a-C has a polarization of 120, so if the realization is the same as the target then it will be counted as 120%.
- ***) Maximum IKU that is allowed to have a polarization of 120 is 1 IKU for every 5 IKU in 1 KK.
- ****) Calculation of IKU weight based on Kep-241/2015 is:

TABLE III. IKU WEIGHT

Combination of Validity and Control Level	Exact	Proxy	Activity
High		11%	
Medium	21%	14%	9%
Low	26%	19%	

^d Source: DG of Treasury [20]

CKP Score of each IKU is calculated from:

$IKU\ Result\ Index \times (IKU\ Weight / Total\ of\ IKU\ Weight)$ which can be from Table III.

CKP of the expenditure treasurer is generally very good at 108,98. This is seen in the achievements of all IKU reaching the target. Even for IKU 1a-CP and 2b-N, the achievements of both IKUs exceed the target.

The author's concern is regarding IKU weighting calculations. In this case, the method uses the quality of IKU obtained from a combination of validity and degree of control of IKU. In the KK of the expenditure treasurer, all the IKU have a combination of Proxy-High, so that each IKU has the same weight, by 11%.

In the authors' opinion, it is necessary to improve the quality of IKU determination used by the expenditure treasurer. There should be a difference of IKU weight considering that the importance of each IKU is not the same.

Bacal [6] states that one aspect of the definition of performance appraisal is how employees contribute to organizational goals, how performance outcomes are

measured, and how employees and their superiors are committed to maintaining and improving performance.

Therefore, the authors argue that IKU cascaded to the echelon II level should have a higher weight than those cascaded up to the echelon IV level. In addition, the uncascaded IKU should have a lower weight because the higher the level of cascading, indicates the higher the contribution of the employees toward organizational performance. However, the organizational performance will be judged as good or bad based on employees' performance.

J. Analysis of NP Assessment

NP is an assessment of the daily behavior of an employee that is shown in the process of achieving its performance. NP is obtained by answering questionnaire surveys conducted by direct supervisors, co-workers, and subordinates (if any). This method is commonly known as the 360° method.

The NP questionnaire contains assessment questions compiled based on Spencer's competencies, which are translated into six aspects of the Ministry of Finance's behavioral standards: service orientation, integrity, commitment, discipline, cooperation, and leadership. Some specific aspects of leadership are only on the assessment of NP for echelon officials.

The results of NP expenditure treasurer rating on the application showed a score of 92.89. Unfortunately, for reasons of confidentiality, the e-Performance Application cannot provide details of the results. The application only shows the result of the NP assessment in the form of a diagram that reflects the six aspects of the assessment used by the Ministry of Finance.

Assessment by the 360° method is considered more objective in the view of the overall personnel of the organization in terms of performance appraisal. Assessment involving superiors, peers, and subordinates (if any) is also considered more equitable. Nevertheless, the results of the assessment still need to be regularly monitored and supervised by SMKP, due to the potential for bias to exist, especially the Halo Effect and Central Error of Tendency.

K. Analysis of NKP Assessment

NKP is an employee performance value calculated from the sum of CKP and NP values with a weight of 70% annual CKP value and 30% annual NP value, as regulated in Kep-241/2015 [20]. NKP performance status for employees is determined by the normal distribution method of all employees with the following classification:

1. 15% with the best performance status
2. 70% with average performance status
3. 15% with below average performance status

The calculation of NKP for the expenditure treasurer of the Babel Regional Office is 104.15. In the normal distribution of all employees of the Babel Regional Office, the value is in an excellent position in regards to performance status. These performance status positions will become the basis of annual Performance Allowance payments as a form of reward for employee performance.

L. Analysis of NPKP Assessment

NPKP is the value used to assess the performance of employees of the Ministry of Finance as stipulated in government regulation 46/2011 [21]. NPKP is calculated from the sum of SKP and NP values with a weight of 60% of annual SKP and 40% annual NP values. The value of SKP is a CKP value coupled with additional task value and creativity value, if any. If it has no additional value and value of creativity, then the SKP value is the same as the CKP score. NPKP performance status for employees is determined by government regulation 46/2011 with the following classification:

1. 91 to 120 with excellent performance status
2. 76 to 90 with good performance status
3. 61 to 75 with enough performance status
4. 51 to 60 with less performance status
5. 0 to 50 with poor performance status

The calculation of NPKP of the expenditure treasurer of the Babel Regional Office is 102.54. This value is in the "excellent performance status" position. These performance status positions will constitute the basis for employment decisions such as determining outstanding employees, job promotion, and job grading.

V. PROPOSAL OF IKU EXPENDITURE TREASURER

Based on the analysis results in the previous sub-chapter, the authors compiled a list of IKU that can be used by the expenditure treasurer of the Babel Regional Office. This IKU proposal was then submitted to the SMKO in the form of an AHP questionnaire to obtain the result of assessment from the SMKO for the weighting of each IKU.

The criteria for determining IKU used according to Kep-241/2015 [20] are SMART-C, and among others:

1. Specific. IKU must be able to state something definitive, relevant, and unique in assessing and encouraging the performance of a unit/employee.
2. Measurable. IKU must be clearly measurable. The IKU statement should indicate its unit of measurement.
3. Agreeable. IKU is the agreement between owner of the IKU and its supervisor.
4. Realistic. IKU must have an attainable size and a challenging target.
5. Time-Bounded. IKU must have a time limit for achieving results.
6. Continuously improved. The quality and target of the IKU is adjusted to the development of the organization's strategy.

Considering that limited personnel remains to be a challenge in the Babel Regional Office, the authors assume that the expenditure treasurer of the Babel Regional Office will still carry out duplicate tasks to assist the performance of the Head of the Department of Finance. Therefore, in this proposal, those IKU is still included.

The author conveyed this problem to the SMKO before filling out the questionnaire, expecting the SMKO to accord the weight assessment objectively. In this IKU proposal, the authors added two new IKU related to the main task of the treasurer who has not included in previous KK.

1. Percentage of bill payment accurately and on time (2f-N)

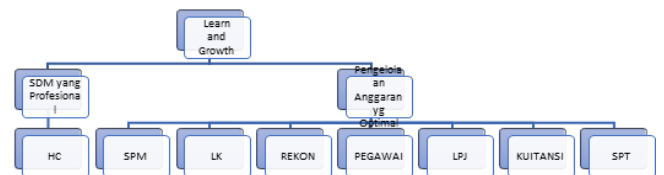
This IKU is an adaptation of the IKU payment of employee entitlements, but the recipient of rights is an external business partner who transacts with the expenditure treasurer. This transaction in general is the treasurer's payment of the invoices by using UP/GUP/TUP cash that directly involves the expenditure treasurer. For time parameters, PMK 190/2012 rules are used considering the deadline for bill payment to partners.

2. Percentage of SPT preparation correctly and on time (2g-N)

This IKU is an adaptation of IKU preparation of the LPJ as one form of obligation of the expenditure treasurer. The object of the report shall be monthly SPT and annual SPT required to be submitted to the Tax Service Office (KPP) as one of the forms of fulfillment of tax obligations for the expenditure treasurer.

A. Hierarchy Formation

After compiling the hierarchy (see Fig. 2), the AHP questionnaire was developed and submitted to the SMKO for weight assessment. The results of the questionnaire were processed with Expert Choice Application ver.9.4.



Source: Data processed (2018)

Fig. 2. Hierarchy Formation

B. Pairwise Comparison Matrix and Logical Consistency

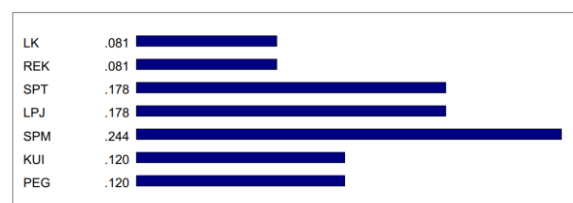
1) Level 3 Test

TABLE IV. PAIRWISE COMPARISON MATRIX

Compare the relative IMPORTANCE with respect to: ANG < LNG < GOAL

	REK	SPT	LPJ	SPM	KUI	PEG
LK	1.0	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
REK		(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
SPT			1.0	(2.0)	2.0	2.0
LPJ				(2.0)	2.0	2.0
SPM					2.0	2.0
KUI						1.0

Row element is ___ times more than column element unless enclosed in ()



Inconsistency Ratio = 0.02

f.

Source: Data processed (2018)

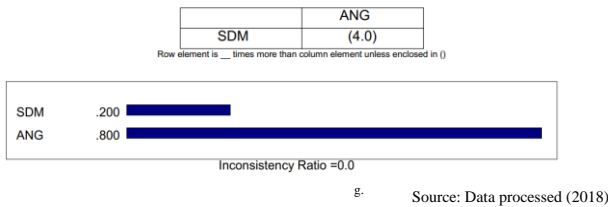
Consistency testing at level 3 consisting of seven sub-criteria resulted in the value of consistency ratio of 0.02 (see Table 4). This value is less than the required 0.1, implying that the statement of the questionnaire results for the SS Optimal Budget Management criteria is considered consistent. The highest priority weight is in the SPM element, while the smallest is in the REK element.

2) Level 2 Test

The consistency test at level two, consisting of two criteria, resulted in a consistency ratio value of 0.00, which is less than the required 0.1 (see Table 5). This means that the results of the questionnaire for the learning and growth perspective are considered consistent.

TABLE V. PAIRWISE COMPARISON MATRIX

Compare the relative IMPORTANCE with respect to: LNG < GOAL

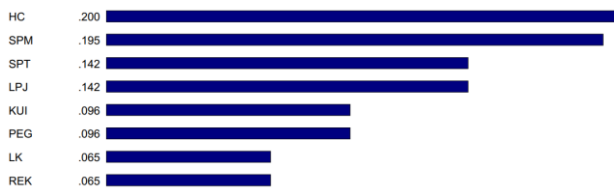


3) Consistency Hierarchy Test

TABLE VI. PRIORITY OF HIERARCHY

Synthesis of Leaf Nodes with respect to GOAL
Distributive Mode
OVERALL INCONSISTENCY INDEX = 0.02

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
LNG =1.000				
	ANG =.800			
		SPM =.195		
		SPT =.142		
		LPJ =.142		
		KUI =.096		
		PEG =.096		
		LK =.065		
		REK =.065		
	SDM =.200			
		HC =.200		



Abbreviation	Definition
GOAL	
ANG	Pengelolaan Anggaran yg Optimal
HC	Nilai Hard Competency
KUI	Pembayaran Tagihan Rekanan
LK	Penyusunan LK Satker
LNG	Learning and Growth
LPJ	Penyusunan LPJ Bendahara
PEG	Pembayaran Hak Pegawai
REK	Pelaksanaan Rekonsiliasi
SDM	SDM yg Kompetitif
SPM	Pembuatan SPM
SPT	Pelaporan SPT Pajak

h. Source: Data processed (2018)

Consistency testing at level one resulted in a consistency ratio of 0.02, which is less than the required 0.1 (see Table 6). This means the statement of the questionnaire results for the hierarchy as a whole is considered consistent.

The biggest priority weight is in IKU Hard Competency of 0.2. This indicates that the SMKO assessment gives greater priority to the IKU Hard Competency. This IKU is the only IKU expenditure treasurer that cascaded to the echelon II level. Then, IKU SPM, which is also cascading but up to the echelon level IV occupies the second-largest priority of 0,195. The smallest priority weights are in IKU reconciliation and IKU preparation of the financial report. This implies the SMKO preference that the two tasks should not be carried out by the expenditure treasurer. If the constraints of the limited number of personnel can be followed up with the employee's request to the head office, it is advisable that data reconciliation and the preparation of the financial report be undertaken by other employees.

C. Performance of Expenditure Treasurer with Proposed IKU

TABLE VII. CKP SIMULATION OF THE EXPENDITURE TREASURER WITH PROPOSED IKU

IKU Code	Target	Realization	IKU Result Index	IKU Weight	CKP
1a-CP	72	82	113,89%	20%	22,78
2a-C	100%	100%	120%	19,5%	23,4
2b-N	3	4	120%	6,5%	7,8
2c-N	100%	100%	100%	6,5%	6,5
2d-N	100%	100%	100%	9,6%	9,6
2e-N	100%	100%	100%	14,2%	14,2
2f-N	100%	100%	100%	9,6%	9,6
2g-N	100%	7,69%	7,69%	14,2%	1,09
				100%	
Final Result					94,97

Table 7 shows that the simulation of the CKP calculation using the IKU proposal resulted in the final CKP value of 94,97 employing the same performance realization data. NKP calculation is 94,35. In the normal distribution of all employees, the value is in the position of average performance status. The calculation of NPKP is 94,14, which is in a very good performance status position.

The results of the recalculation of the NKP and NPKP of the expenditure treasurer of the Babel Regional Office using the IKU proposal showed the decreasing value of both NKP and NPKP. The indicator that currently used to evaluate the performance of the expenditure treasurer of the Babel Regional Office does not reflect the actual performance. Although the change in the NPKP value has no effect on employee performance status, but it has different case with the change in the NKP value. The decline in NKP will lower the performance status of the expenditure treasurer from "best performance status" into "average performance status", which will eventually lower the annual Performance Allowance payments. to be received by the expenditure treasurer of the Babel Regional Office.

VI. CONCLUSION

Based on the analysis, the overall performance assessment of the treasurer at the Babel Regional Office has generally been implemented well. However, some improvements are still required.

The expenditure treasurer still uses the KK of the Department of Finance staff by including all the IKUs contained in the IKU manual but without adding IKU which should be a part of the main task of the expenditure treasurer. IKU in KK should reflect the daily work tasks that have specific indicators.

The expenditure treasurer's low level of compliance in taxation reporting indicates that the accountability for the expenditure treasurer of the Babel Regional Office has not been fully implemented. Instead, the compliance factor of the expenditure treasurer is influenced by financial factors. This is consistent with the Utilitarian Power concept in the Compliance Theory put forward by Etzioni (in Lunenburg, 2012). The treasurer prefers the task with the IKU that is set out in the KK, although the task is not the primary one, considering that the CKP will affect the annual Performance Allowance payment. On the other hand, tax reporting that has been mandated by both PMK 162/2013 and Law 1/2004 has not been fully implemented.

The proposed IKU for use in performance assessment of expenditure treasurer are as follows:

1. Score of hard competency (1a-CP)
2. Percentage of SPM processed accurately (2a-C)
3. Index of the regional office financial report in a timely manner (2b-N)
4. Percentage of reconciliation of financial report as UAKPA and UAPPAW accurately and on time (2c-N)
5. Percentage of salary payments/performance allowance/meal allowance/overtime/honorarium of employees accurately and on time (2c-N)
6. Percentage of bill paid accurately and on time (2d-N)
7. Percentage of LPJ Treasurer preparation done properly and on time (2e-N)
8. Percentage of preparation of SPT performed correctly and on time (2f-N)

VII. SUGGESTION

Based on the analysis, suggestions can be provided to the Babel Regional Office and for subsequent research, as follows:

1. The Babel Regional Office could further utilize the Discussion of Individual Performance (DKI) to discuss the IKU, which will be used in the performance assessment of the expenditure treasurer. DKI involves the expenditure treasurer, direct supervisors, and SMKO to discuss the IKU expenditure treasurer.
2. The Babel Regional Office could also implement the proposed performance assessment of the expenditure treasurer as a piloting work unit for other Directorate General of Treasury Offices in the province of Bangka Belitung.
3. Research can be done on the treasurer of APBD (local government budget) who has different task

characteristics with the treasurer who manages the state budget.

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