

The Effectiveness Analysis of State Expenditure Policy Implementation in Indonesia

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Abstract—The deficient absorption of government budget has become a problem that continuously occurred every year. It impacted on the delayed implementation and realization of activity programs that have been planned by the government in institution of ministry. The government has made several rules in state finances including its derivatives in order to encourage better budget absorption. The purpose of this study was to verify the effectiveness of budget absorption in KPPN Garut, West Java. This study used a qualitative method with case study approach theory by Van Horn and Van Meter. There are six measured variables in order to determine the effectiveness of budget absorption. The variables are standards and objectives, policy resources, and activities between organizations and executive activities, specifications of administrative, economic, social, political parts and enforcement trends. The result of this study showed that based on six variables mentioned above, the budget absorption in KPPN Garut has not been effective.

Keywords—*implementation; effectiveness; state expenditure; absorption*

I. INTRODUCTION

The low level of absorption of the budget in Indonesia is a phenomenon that occurs every year at both the Ministries / Institutions and at the Regional level [1]. Low budget absorption has become a recurring and massive problem that occurs every year, resulting in a slow realization of the implementation of activity programs launched by the government at the ministry of institutions [2,3]. This also happened at the Garut State Treasury Office. The slow absorption of the budget can be seen from the accumulation of requests for disbursement of budget funds at the end of the year. This is because the work unit does not disburse funds according to the period of withdrawal of funds per month and tries to pursue realization that is late in the beginning and mid-year at the end of the year. The accumulation of requests for disbursement of budget funds at the end of the year can lead to vulnerability to errors in disbursing funds and imposing state expenditures that can result in state losses in financial and non-financial forms.

Since the issuance of the regulation package in the field of state finance, namely the Law of the Republic of Indonesia Number 17 of 2003 concerning State Finance, Law of the

Republic of Indonesia Number 1 of 2004 concerning State Treasury, Law of the Republic of Indonesia Number 15 of 2004 concerning Examination of Management and Responsibility of State Finance, there have been many derivative regulations that regulate the procedures for implementing state revenues and expenditures. However, the problems related to the slow absorption of the budget at the Garut State Treasury Service Office still cannot be overcome by this policy. This Analysis of State Expenditure or Regency Leve Garut, Indonesia.

II. METHODOLOGY

This research uses a case study method. State-level policy implementation in Treasury Office in the Province or Regency Leve Garut Regency. To determine the program effectiveness, analyzed by the theory of public policy implementation by Van Meter and Van Horn [4]. Use researchers this theory because it uses a top-down approach. According to Sabatier, a top-down approach was the idea of government policy that focuses attention on whether the policy is effective or not [5].

To obtain information for this research, the informant was selected by observing the principles of conformity (appropriateness) and adequacy. The informants in the Regency of Leve Garut, the power of budget users. Primary data sources were used in the studies obtained through interviews and recorded observations, and secondary data sources were obtained through a review of documents. Basically, the analysis of qualitative research is intended to provide meaning confirming the data, interpreting data, or transforming data into other forms of narration. This led to findings that express propositions and scientific content that ultimately became the final conclusions. To validate the results of research using triangulation source and methods.

III. RESULTS AND DISCUSSION

A. Objectives of Standards and Policies

In-depth interviews with informants regarding the condition of the current budget absorption indicate that there were several differences of opinion among informants. Four informants acknowledged that the absorption of the budget had improved for the past two years. Meanwhile, the other three informants

acknowledged that the absorption of the budget was still not optimal and needed improvement.

B. Policy Resources

The results showed that there were problems in terms of resources. Lack of quality human resources both management officials and staff in the budget management environment. The practice that occurs in the work unit is only certain people who can carry out the work from the form of Payment Request Letter (SPP) until the issuance of the Request for Payment Letter. The lack of quality of human resources influences the understanding of the implementers of financial management regulations that govern document requirements that must be completed in the process of submitting a Payment Request (SPM) to the KPPN. Another thing that appears is the basis for the appointment of budget management officials who are still trustworthy. In practice, management of state finances is considered to be sacred, so that the trust factor is a top priority in the appointment of managers who carry the responsibility of budget managers. The absence of selected HR competencies will negatively affect the quality of human resources in the budget management environment and on budget realization. The dominance of certain budget management positions will affect the strategy in implementing the budget. For example, the satker, which is dominated by the role of a treasurer who is trusted by KPA, from budget planning to budget realization can only be done by the treasurer, while the functions of other budget management officials, so that in the realization of the budget must wait for instructions from the treasurer. Another thing is that budget management officials are often not in the office. Appointment of budget management officials related to the technical position of the satker's supervisory office, thus causing the approval of the supporting documents for budget realization.

C. Interorganizational Communication and Enforcement Activities

In terms of communication in groups, everything went well, but in communication between groups, researchers found a lack of communication and coordination. All informants from several institutions said that the State Treasury Service office had never held special socialization regarding procedures and rules and policies.

However, according to the head of the Garut KPPN, during 2018 there has been socialization and training in numbers to improve the ability of one-man human resources involved in managing the budget. Socialization is an explanation of the current and new financial regulations and financial application training that supports the government's financial accounting system. This training is intended for human resources at the level of work units that have the task of managing state finances.

D. The Characteristics of the Implementing Agencies

In terms of budget management implementers, the problem is that there are still structural office effects versus budget management functions. For example, Human Resources appointed as Examining Officers Bills and Signers in the satker organizational structure are Human Resources under the

treasurer or PPK, which will affect the quality of the Payment Request Letter (SPM) issued by the work unit. Many errors / incomplete documents on the requirements for submitting a Paying Request Letter (SPM) are caused because the budget management official cannot carry out his function. Budget management officials are often not in the office.

Appointment of budget management officials related to the technical position of the satker's supervisory office, thus causing the approval of the supporting documents for budget realization. The level of concern of Budget User Authorities (KPA) is low on budget management responsibilities. Concern for Budget User Proxies (KPA) determines the management of an appropriate and timely budget.

E. Economic, Social and Political Condition

Based on the results of the study, it was found that political factors influence the absorption of the budget. Since the emergence of various rules governing there has been an improvement in the absorption of the budget. Most of the contents of the regulation include the allocation of funds for the Budget Implementation List (DIPA), the role of responsibilities of state treasury officials, business processes, types of document formats, in the implementation cycle of the Budget. In some regulations it has set the norm for time in budget execution as in Regulation of the Director General of Treasury of the Ministry of Finance number 12 2017. PER-12 / PB / 2017 contains Guidelines for Implementation of State Revenue and Expenditure at the End of 2017 Fiscal Year and is derived from PMK Number 186 / PMK.05 / 2017. PER-12 / PB / 2017 is compiled as a technical guide from the PMK. PER-12 / PB / 2017 regulates the steps that must be carried out by the KPPN and the ministry / agency work units in state revenues and state expenditures facing the end of the 2017 fiscal year. In the Director General the time limits for depositing state revenues and settlement of disbursement are stipulated. Ministry / agency DIPA funds for all types of payment orders (SPM) before the fiscal year ends. This Perdirjen specializes in the period September to mid-December as the deadline for completing bills to the state. With the division of time to settle DIPA disbursement bills, the ministry / agency work unit must make a budget disbursement plan in those months for activities that have not been completed so as not to exceed the set time limit. This means that with the issuance of Perdirjen number 12 of 2017 which sets the deadline for settlement of bills to the state, the disbursement of the ministry / agency budget is not focused on December alone so that the workload in December 2017 is reduced, both at the KPPN as paid offices and units ministry / agency work.

F. The Disposition of Implementor

According to an in-depth interview with one of the informants, even though there were no special competency standards, such as executive officers of specialists, nurses and officials at the BPJS center had done a good job. The informant admitted there is no incentive to implement the program.

According to the six factors observed in the Van Horn and Van Meter implementation policy model, there are still obstacles between the indicators of policy implementation and the reality that occurs. Of the six factors, the obstacles that

stand out are the standard and policy objectives, resources, and communication with the implementing agency.

The most prominent obstacle in standard factors and policy objectives is that the absorption of the budget is still not ideal where the budget is still not well distributed in each period of budgeting.

IV. CONCLUSION

The results of this study further strengthen the importance of continuing to improve the competence of human resources owned by the work unit, especially those related to the budget, such as budget compilers, commitment-making officials, procurement committees, treasurers, and others, this confirms several previous studies [6,7].

Problems in the stages of the budget realization process which caused delays in the absorption of work unit expenditures mainly occurred in the stages of the budget process in the work unit. Problems in the stages of the budget realization process at the satker occurred at the stage of establishing a budget manager, the establishment of a procurement committee for goods and services, the issuance and preparation of complete supporting documents for SPP, up to the stage of testing and issuance of SPM. This is in accordance with previous research which also found the problem of budget realization process [8]. The causes of the problem stemmed from technical policies and problems with the budget management culture at the satker. The technical policy issues of the satker include delays in the appointment of budget management officials, delays in the appointment of goods / services procurement committees, the absence of fund withdrawal planning documents, and the absence of planning documents for the implementation of goods / services procurement, as well as the absence of a reward and punishment mechanism in budget management on the satker. While the cultural problems that occur in the satker are caused by the HR mindset that plays a role in the budget manager, including the principle of excessive prudence, which causes fears in the implementation of the budget, especially the procurement of goods / services, the reluctance of qualified satker HR to become budget managers due to incentives not worth the risk, and the habits of the budget manager delay work and execute activities at the end of the fiscal year [9].

These issues of technical and cultural policy affected the stages of the budget realization process in the satker, which caused delays in the absorption of the spending budget. Whereas in the stage of disbursement of funds at the Garut KPPN, technically the service for submitting SPM from the satker for SP2D issuance was not found any problems that could cause delays in absorbing the budget. The accumulation of SP2D issuance that occurred in the last quarter especially in December was a result of the increase in workload due to the submission of SPM from the satker which accumulated at the end of the fiscal year. However, in terms of regulation, a policy

still needs to be made that can encourage the satker to have a standard guideline that is used as a reference time and amount of realization of the spending budget of the satker.

Based on the results of the analysis in this study, the reconstruction is an increase in the quantity of quality human resources in the satker budget management environment by sending budget managers to state financial management training held by the finance ministry, including treasury training, training on the Government Finance Accountability Acceleration Program (PPAKP). The whole problem found justifies the research that has been done by several studies that have been done before [10].

The commitment of the head of state / agency ministries to appoint KPA and budget management of competent satker, followed by a law enforcement mechanism in the internal environment of state ministries / institutions. This is to form KPA and Budget Managers who are responsible and understand the authority and risks in managing state finances.

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