

# *The Information Technology-Based Planning And Budgeting System In The Regional Government Of Banten Province Indonesia*

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**Abstract**— Transparency and accountability in the process of budget policy-making are two of the necessary principles which are conducted through the transparent presentation of information which is accessible to the public. The reason is that every use of funds must be accountable for its utilization of the resources managed to obtain a predetermined result. This condition also enables all the actors to criticize, discuss, and give suggestions so that in the future the regional budgeting policy could have improved quality and be aligned to the people's wishes. Currently, the budgeting policy-making process in the Regional Government of Banten Province already employs the Planning, Budgeting, and Reporting Management Information System Application (SIMRAL). SIMRAL is an application recommended by the Corruption Eradication Commission (KPK) in collaboration with the Agency for the Assessment and Application of Technology (BPPT) as the application provider. This information technology is believed to be able to guarantee the transparency and accountability of regional financial management. Therefore, this article attempts to describe the information technology-based planning and budgeting process in the Regional Government of Banten Province and to assess whether it had a positive contribution to in creating transparency and accountability and in minimizing corrupt practices in Banten Province. The research method employed in the current study was a qualitative method with data analysis using the NVivo 12 plus software.

**Keywords**— *Planning, Budgeting, Information Technology, and Budgeting Policy component*

## I. INTRODUCTION

The use of electronic devices in regional government planning and budgeting processes in Indonesia has received more attention as a tool for interacting in the effort to increase the transparency and accountability of regional financial management. The use of the Sistem Informasi Manajemen Perencanaan, Penganggaran, and Pelaporan (SIMRAL) (Planning, Budgeting, and Reporting Information System) application as a form of information technology which is believed to be able to guarantee to transparency and accountability of the regional financial management in the

Banten Province Regional Government because Heald stated that budgeting transparency is believed to be a tool for increasing effectiveness and public accountability.[1]

SIMRAL is an application recommended by the Corruption Eradication Commission (Komisi Pemberantasan Korupsi (KPK) in collaboration with the Agency for the Assessment and Application of Technology (Badan Pengkajian and Penerapan Teknologi (BPPT)) as the application provider. It is important to understand that Banten Province is one of the six provinces that were used as KPK's pilot project which require special attention to reduce corrupt practices in the planning, budgeting, and implementation processes. Besides, Banten Province also had a bad track record in financial reporting and had only received Appropriate With No Exception (Wajar Tanpa Pengecualian (WTP)) from 2016 to date.[2]

This system was conceptualized as the use of information technology by the government combined with changes in the organization which were made to improve the government's performance and services, especially in the planning and budgeting area.[3] There are a few benefits of the use of an information technology system: First, it nurtures service effectiveness and efficiency; Second, it guarantees the quality and legality in decision-making; Third, it encourages active citizenship; Fourth, it reduces transaction and coordination costs in social and political relationships; Fifth, it is more purposeful because of the quality of the institution; and Sixth, it increases the information processing capacity.[4] However, in reality, it cannot always cater to all the actors' needs. [5], [6]

## II. RESEARCH METHOD

The method employed in the present study was a qualitative research method. The data were collected through interviews, observations, and documents (research reports, and online and offline media). Data analysis was conducted with help from the NVivo 12 plus software.

### III. RESULTS AND DISCUSSION

#### A. *The Effectiveness of Using Information Technology in the Regional Government Budget Formulation Process*

The World Bank defined an e-Government, which is more commonly known as e-Gov or digital government, online government or in certain contexts a transformational government, as the use of information technology by the government to provide information and services for its citizens, business matters, and other matters related to governing, including the budgeting process. [5], [7]

The 2018 Regional Government Budget formulation policy in Banten Province Government used the Planning, Budgeting, and Reporting Management Information System Application (Sistem Informasi Manajemen Perencanaan, Penganggaran, and Pelaporan (SIMRAL). The system operates by data input from Musyawarah Perencanaan Pembangunan (Musrenbang, a participatory bottom-up consultation as preparation for the government's annual planning) at village/kelurahan, sub-district, to regency/city level. The final product is in the form of RKPD (rencana kerja pemerintah daerah, the regional government's work plan). SIMRAL includes the recording and processing system of data from Musrenbang (Musyawarah Rencana Pembangunan,) results, RKPD (Regional Development Work Plan), SKPD (Regional Work Unit) work plan, PPA (Temporary Budget Ceiling Priorities), RKA/RAPBD (budget work plan/ regional income and expenditure budget plan) formulation, DPA (Budget Implementation Document), Cash Budget, SPD (Letter of Funds Provision) issuing, income and expenditure administration, regional cash administration, actual-based accounting, and reports needed to support the actual-based accounting system. Expenditure Administration includes the issuing of SPP (Payment Order Letter), SPM (Minimum Service Standards), and SP2D (Fund Disbursement Order) and BKU (General Cash Book) for the recording of expenditure and income transactions.

SIMRAL is an application recommended by the Corruption Eradication Commission in collaboration with the Agency for the Assessment and Application of Technology (BPPT) as the application provider. This information technology is believed to be capable of guaranteeing transparency and accountability in the regional financial management. This was stated by the Governor of Banten, Wahidin Halim:

“There are at least three purposes of the implementation of SIMRAL, first the program integrity, second it is a form of transparency, and third the flow in the system context. The third point is that we cannot change the inputs and the process immediately locks. For example, for official trips this year it had been allocated 100, but in 2018 we cut it to 50, and this is entered to SIMRAL and is already locked”. (<https://banten88.com/detail/usai-ketemu-kpk-pemprov-banten-segera-terapkan-SIMRAL/>)

This opinion was seconded by some Banten Province Regional Development Planning Agency (BAPPEDA) staff members who handled the planning implementation. They affirmed that the Regional Government Budget formulation had improved because the Banten Province Government had

begun to use an integrated system, which included the planning, budgeting, and reporting. This system was also transparent because each OPD and other authorized institutions could monitor each other. The following is an excerpt of the interview:

“At the moment, the Regional Government Budget formulation process uses SIMRAL, where in the past it used a separate system between the planning, budgeting, and reporting. Therefore, nowadays it is more organized and must be suitable and synchronized with the other planning documents, for example, it must be synchronized with the RPJMD. They now feel that the Regional Government Budget formulation process now is better than the one before because it uses a system that minimizes discrepancies between planning documents such as Renstra (Strategic Plan), RPJMD, and Renja (Working Plan); thus any mistakes could be rectified early in the process. Moreover, this system also creates transparency, is efficient, and is well organized. Every OPD has their own username and password to allow them to input all programs and activities, and all the officials in the Provincial Government can access it, even the KPK, BPK, and members of the House of Representatives are given allowed to give input and to monitor the planning and implementation of the Regional Government Budget. (Implementing staff and SIMRAL operator of Banten Province Regional Development Planning Agency, interviewed on 19 September 2018 at 13.00 Western Indonesia Time)

From the interviews with some of the BAPPEDA staff, it can be seen that the use of SIMRAL would synchronize between the planning, budgeting, and reporting, resulting in a relatively organized state at present. For example, Renja (work plan) must be synchronized with the RPJMD (Regional Medium Term Development Plan) and Renstra (strategic plan). At the moment, they feel that the Regional Government Budget formulation process has improved because mistakes can be rectified early on. Furthermore, this process creates transparency, is efficient, and is well organized because each SKPD has their username and password to be able to input all programs and activities, and all the officials working in the Provincial Government are granted access, even the KPK (Corruption Eradication Commission), BPK (Audit Board of Indonesia), and members of the House of Representatives are given access, so there no programs or activities can suddenly emerge unplanned. Members of the house of Representatives could also give input through the main ideas and monitor the Regional Government Budget planning and implementation process.

#### B. *The Role of Leadership in the Implementation of Information Technology in the Regional Government Budget Formulation in the Banten Province Regional Government*

The change of governors from Rano Karno to Wahidin Halim had a significant contribution to the Regional Government Budget formulation in the 2018 Banten Province Regional Government. There were a number of system changes in the government administrative processes, especially in Banten Province Government's regional

financial management. There were a few policies established by Wahidin Halim as the Governor of Banten Province, including the planning, budgeting, implementation, and evaluation processes using the SIMRAL system in collaboration with BPPT.

It should be noted that the SIMRAL program is the sole program used by the Banten Province, and this program was also suggested by the Corruption Eradication Commission (KPK). Furthermore, for transparency, the Banten Province Government also used a non-cash system for payments and had truly implemented the auction system for expenditures exceeding 200 million rupiah; this was per the President's Regulation Number 16 Year 2018 pertaining to the Procurement of Government Goods and Services. This situation, of course, caused strife and gave rise to conflicts, one of which was with mass media. The cause of the conflict between mass media and the Governor was the procurement of goods and services, including purchasing advertorial, which had already used the single portal system in the Communication, Information, and Coding Agency of Banten Province, which was previously conducted by each OPD (Regional Device Organization) without auctioning.

The role of leadership in the Regional Government Budget policy formulation process in the Banten Province Regional Government has undergone some improvements due to Governor Wahidin Halim's leadership, even though there are still conflicts with the bureaucrats, DPRD (Regional People's Representative Council), and informal actors such as the mass media. Nevertheless, one of the signs of progress achieved by the Banten Province Government under Governor Wahidin Halim was the achievement of Appropriate With No Exceptions (WTP) mark on the Audit Report (Laporan Hasil Pemeriksaan (LHP)) from the Audit Board of Indonesia (Badan Pemeriksa Keuangan (BPK)) in 2017.

#### IV. CONCLUSION

The Regional Government Budget formulation process in the Banten Province Government will continue to be riddled with bargaining, negotiations, and taking and giving. The process itself will not become overextended because it is limited by regulations that limit the formulation. Furthermore, the application of financial information technology in the form of the Planning, Budgeting, and Reporting Information System (SIMRAL) could also create a more transparent and accountable Regional Government Budget formulation process. One of the main factors in creating an effective implementation of information technology in the planning and budgeting processes is leadership.

The results of the study led to some suggestions: First, an improvement in the monitoring and advocacy of the Corruption Eradication Commission (KPK) in the information technology-based Regional Government Budget formulation process through the Planning, Budgeting, and Reporting Information System (SIMRAL); Second, improvement of the human resources involved in the Regional Government Budget formulation process in the Banten Province Regional Government, especially in using the SIMRAL application; and Third, creating synergy

between the actors in the planning and budgeting process, both in the executive level and in the legislative level.

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