

Human Resources Competency in Timeliness of Budget Work Plan

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ABSTRACT

The purpose of this study is to find out the constraints of competence aspect of human resources in the preparation of the Budget Work Plan according to the preparation time that has been determined by the East Java Government. This is a qualitative research. Data collection techniques through observations, questionnaires, literature studies and interviews with the staff that involved in preparing budget work plans at the Regional Planning and Development Agency in East Java. The results of the study found that the constraints experienced in the timely preparation of the budget work plan were: 1) The lack of SKPD members with educational backgrounds related to budgeting, and 2) The lack of training and educational related to regional financial budgeting followed by the budget drafting team.

Keywords: Budget Work Plan, Competency, Human Resources

1. INTRODUCTION

The regional budget is a very important thing done by the local government. According to Government Regulation number 12 of 2019, regional financial management is carried out annually by starting to plan the Regional Revenue and Expenditure Budget (APBD). This Government Regulation determines the process of preparing the APBD, starting from the preparation of the APBD General Policy (KUA) and the Provisional Budget Priorities and Ceilings (PPAS), then proceeding to the making of the Budget Work Plan (RKA) by each Regional Apparatus Working Unit (SKPD). This RKA-SKPD is then used as the basis for drafting regional regulations on APBD and draft regional head regulations on elaboration of APBD.[1]

Regional Revenue and Expenditure Budget (APBD) is the basis for regional financial management for a period of one fiscal year starting from January 1 to December 31. Thus, the APBD becomes a guideline for local government to plan activities for the year concerned. This function makes the APBD important because local government activities cannot be carried out

if they are not planned and included in the APBD. Considering the role of The Regional Budget in managing regional finances is very important, the process of APBD preparation must be better and timely so that the planned activities and development programs can be carried out in the fiscal year and the provision of public services to the community can run smoothly.[2]

Budget planning is the most important process in the administration of government, because it is related to the government's goal to prosper its people. The provisions in the planning aspect are designed in such a way that the entire process of preparing the APBD can show the background of decision making in determining general political directions, priority scales and determining the allocation and distribution of resources by involving community participation. The budget implementation document submitted by each Regional Apparatus Working Units (SKPD) compiled in the SKPD Budget Work Plan (RKA) format must be able to provide clear information regarding the objectives, targets and the relationship between the budget amount and the benefits and results to be achieved or obtained by the community in a budgeted activity.[3]

The preparation of the Budget Work Plan (RKA) is an important thing and is carried out routinely in an agency that receives budget allocations from the government. Weakness in the preparation of the RKA can lead to unmeasured activity results and inadequate budget allocations to produce certain outputs. The effect of inadequate planning and budgeting are ineffectiveness and inefficiency. Inefficiencies in the preparation of RKA can be avoided by improving the quality of the planning process and the quality of compliance with the applicable budgeting regulations.[4]

The budgeting stage is very crucial because an ineffective and not performance oriented based budget can thwart the plans that have been made. Budgeting is a process that needs to be done so that the budget that has been set can finance all the needs of the ongoing program and its implementation in accordance with the budget that has been set. Determination of the budget that has been set cannot be separated from costs related to the program to be run, all programs require funds to support the program[5]. Therefore, competent human resources are needed to be able to prepare an adequate budget work plan in accordance with those needs. But there are still obstacles in the competency of human resources in preparing the budget work plan.

Based on the results of observations in several Regional Planning and Development Boards (BAPPEDA) City/Regency shows asynchronous performances so that there is a delay in making the Local Government Work Plan (RKPD). Regional government planning and budgeting is a regional development reality that is full of social interactions associated with various political, cultural and religious interests. Regarding regional budgeting, research findings indicate that the regional budgeting planning is still weak, resulting in the government not being able to implement performance budgeting in accordance with applicable laws and regulations. For example, regarding systems and procedures for regional financial management and local government accounting policies. The agency responsible for the management of regional finances and assets does not yet have these two documents. Policy changes in planning and budgeting as a result of regulatory changes since the beginning of regional autonomy were implemented only at the formal level, the paradigm shift in charge of development planning and regional budgeting has not shown significant changes.[6]

The results of research conducted by Lindawati & Adhi found five factors behind the delay in determining the APBD of Blora Regency for the 2014 fiscal year, namely: 1) the commitment factor between the executive

and legislative to comply with the schedule for the preparation and process of determining the APBD, 2) the coordination factor and communication between local government and Regional Representatives Council (DPRD) in determining regional revenue and expenditure budgets, 3) DPRD and regional government in implementing the function of regional financial budgets that are less than optimal, 4) human resources factors between the executive and legislative, 5) bureaucratic factors and technical problems of laws and regulations that are used as guidelines for the preparation of the APBD change every year.[7]

Likewise, Subechan stated that the factors that could explain the cause of the delay in APBD of the Kudus Regency Government for the 2009-2013 fiscal year were the lack of commitment to complying with the APBD preparation plan, prioritizing interest in budget allocation, poor coordination and communication, and lack of competence in budgeting from the parties that involved in budget preparation. In addition, the central government also contributed to the delay in the determination of the Kudus Regency APBD, the issuance of guidelines for the preparation of the APBD every year with various amended provisions and the delay in the issuance of regulations for the use of central funds that were specific for grants.[8]

The conflict that occurs is related to the understanding of the RKA-SKPD compilers, namely there are still SKPD leaders who do not understand technically the preparation of RKA-SKPD, so this is an opportunity for subordinates (Head of Divisions/Head of Agency/Head of Section) as the Budget User Authority (KPA) to act opportunistically in budget allocation. And sometimes the Head of SKPD as the Budget User in allocating the budget adopts the previous year's budget. This gives rise to findings from the Inspectorate regarding existing phenomena.[9]

To produce effective plans for each development activity, human resources are needed who not only work hard, but also can work more professionally and have more reliable skills. In this case, in addition to the ability to work hard, a planner must also be balanced with careful and systematic planning to achieve optimal and sustainable results.[6]

Based on the description above, the research team decided to conduct research on the competency of human resources in the timely preparation of budget work plans (RKA). This study aims to determine the constraints of the competency aspect of human resources in the preparation of budget work plan in accordance with the time that has been determined by East Java Government.

This study is important to do considering that the preparation of budget work plan is important thing that must be done by government agencies and the competence of human resources is important to achieve the timely preparation of a budget work plan. This is because the incompetent employees tend to make more mistakes than competent employees. The results of this study are expected to increase knowledge regarding aspect of human resources competency in the preparation of the budget work plan.

2. LITERATURE REVIEW

2.1. Budget Work Plan

Based on the Regulation of the Minister of Home Affairs number 21 of 2011, the Regional Apparatus Working Units Budget Work Plan (RKA-SKPD) is a planning and budgeting document that contains income plans and expenditure plans for SKPD programs and activities as the basis for preparing APBD.[10]

According to Law Number 33 of 2004 concerning Financial Balance between the Central Government and regional Government, SKPD Budget Work Plan are planning and budgeting documents that contains programs and activities of Regional Apparatus Work Units (SKPD) which are the elaboration of the Regional Government Work Plans and the strategic plan of the SKPD concerned in one fiscal year, as well as the budget needed to implement it.[11]

2.2 Human Resources Competency

Based on the Regulation of the Minister of Home Affairs Number 11 of 2018, competency is the ability and characteristics possessed by an employee of the State Civil Apparatus, in the form of knowledge, skills and behavioural attitudes needed in carrying out their duties so that they can carry out their duties professionally, efficiently and effective.[12]

Competency is the basic capital of a person or organization to realize something that is the goal of the organization[13].

Competency is one of the factors that characterizes someone who is able to show his best performance. In this case, it can be said that competency is the ability to understand and communicate related to budgeting, if the ability to understand the budgeting is good, the effectiveness of the budget will be high.[9]

Human resources competency is the ability that exists within a person that allows him to carry out the tasks

needed to work in organization so that the organization is able to achieve the expected results.[13]

REGULATORY AND INTEREST THEORY

Regulatory Capture Theory although regulations are made to protect the public interest of users, this goal cannot be achieved because regulators dominate regulations in making regulations because they are made from the perspective of the entities that have most influence in the legislative. Despite these very specific intellectual and political contexts, this early political exploration of private influence in public regulation solidified over the next decade into the prevailing wisdom known as regulatory capture theory. As Louis Jaffe put it in "The Limits of the Administrative Process" in 1954, "The phenomenon loosely and invidiously described as 'industry orientation' is much less a disease of certain administrations than a condition endemic in any agency or set of agencies which seek to perform such a [regulatory] task." [18]

Undue influence (from wrongdoing to ex parted approaches to "subtle but ubiquitous methods used by regulated industries to influence regulators through social favours, promises of future employment in the industry itself, and other similar means") was a major concern from the 1960 Landis Report on Regulatory Agencies.[19] When the Chicago School seriously approached the subject, Bernstein himself had already summed it up: "The most well-known accusation against independent commissions is that they are oriented to the opinions and interests of their clientele and are ripe for capture." [20]

The Theory of Individual Interest This theory was presented by George Stigler in 1971 who said that activities around regulations describe the brotherhood among the political forces of interest groups. interest groups (executive/industry) as the demand side and the legislature as supply.

3. METHODOLOGY

This study is a qualitative research. Data collection techniques are through observations, questionnaires, literature studies and interviews of human resources that involved in the preparation of budget work plans at the Regional Planning and development Agency at Regency/City in East Java.

Analysis of research data is done by "separating" the data, which is a process that focused on some data and ignores other parts.[21] Data analysis uses the model by Miles and Huberman, namely: 1) data collection, 2) data

reduction, 3) data display and the last step is concluding the results of the analysis.[14]

This study uses source triangulation and method triangulation techniques. Additionally, the researchers will also conduct member checks to reduce potential bias.

4. RESULTS AND DISCUSSION

Based on the results of the research, the informants in this study were employees of the Regional Planning and Development Agency that involved in the preparation of budget work plan. The following is a summary of research findings:

Table 1. Informant Data

Name	Regency/City	Education Background
P1	Gresik Regency	S1 Agriculture
P2	Gresik Regency	S2 Public Administration and Regional Development Planning
P3	Gresik Regency	S2 Public Administration and Regional Development Planning
P4	Gresik Regency	S2 Management
P5	Gresik Regency	Diploma in Accounting
P6	Trenggalek Regency	S2 Public Administration
P7	Trenggalek Regency	S1 Public Administration Science
P8	Blitar City	S1 Planning
P9	Blitar City	S1 Economics and Development Studies
P10	Blitar City	S2 Management
P11	Blitar City	S2 Communication
P12	Blitar Regency	S1 State Administration
P13	Blitar Regency	S1 Animal Husbandry
P14	Blitar Regency	S1 Public Administration
P15	Jombang Regency	S1 Accounting

P16	Jombang Regency	S2 Informatics Engineering
P17	Jombang Regency	S2 Economics and Development Studies
P18	Jombang Regency	S1 Information Systems
P19	Lumajang	S1 Management
P20	Madiun Regency	S1 Social
P21	Madiun Regency	S1 Informatics
P22	Madiun Regency	S1 Accounting
P23	Madiun City	S1 Industrial Engineering
P24	Madiun City	D4 Government
P25	Kediri Regency	S1 Administration
P26	Kediri Regency	S2 Accounting

Source: Data Process, 2021

As can be seen in the table above, the informants of this research are spread from various regions in East Java. Then we tried to explore more about the constraints experienced related to human resources competencies, the following are the constraints found:

4.1 The lack of SKPD members with educational backgrounds related to budget preparation

Based on the results of the study, 80.8% of the informants thought that there were still few SKPD members with educational backgrounds that matched the budgeting. This is reinforced by the data presented in the informant's data table, that there are still many members of budget planners with educational backgrounds that not related to budgeting.

Educational background indicates the skills areas of knowledge that a person has mastered during formal education. The areas of knowledge controlled by the parties involved in budgeting should be aligned with budgeting activities. Therefore, SKPD members, especially those involved in budget preparations, must have a basic understanding of the budgeting system.[2]

Lindawati and Adhi stated that the field of knowledge controlled by the parties involved in budgeting should be in line with budgeting activities. The placements of employees in the Regional Government must be in accordance with the knowledge related to budget planning in the preparation of the APBD.[7]

The smooth implementation of government duties and national development is very dependent on the perfection of the state apparatus. The individual skills of the state apparatus are related to the level of education, workforce training and experience gained over time in the field of knowledge. In general, it is accepted that highly educated and technically qualified employees are more receptive to assimilations and are able to transform available external knowledge.[15]

This is in line with research conducted by Sukarta, found that the competency of human resources has a positive effect on the effectiveness of budget management. Based on the results of research conducted at Udayana University, out of 156 budget managers, only 29 people have accounting qualifications, while the remaining 127 have non-accounting qualifications. Meanwhile, the duties of budget managements are more of a technical administration that requires competency in the accounting field. So ideally it is carried out by employees with accounting education qualifications or at least majoring in economics.[16]

4.2. The lack of training and education related to regional financial budgeting attended by the budget drafting team

Based on the results of the research conducted, as many as 57.7% of the informants thought that the lack of training and education related to regional financial budgeting which was attended by the budget drafting team was the cause of obstacles in the preparation of the budget work plan in accordance with the predetermined preparation time.

This is in line with the opinion by Octariani that government organizations as agents who have the task of providing services to the community in relation to budget owners as principals, are required to use high quality human resources assigned to the finance department, especially those in charge of budgeting. The complexity of the stages of budgeting in public sector organizations starting from determining programs and activities, classifying expenditure, determining spending standards, up to the amount of budget that must be provided, requires quality of human resources so that the government's goal to improve public welfare through the best public services with appropriate budget allocations in accordance with regional capabilities and regional development plans can be realized.[15]

It is undeniable that human resources are one of the most important factors and contribute to improving

performance in organization. Reliable competence in human resources will produce good budgeting.[5]

Training and education are needed to improve the understanding of the budget work plan drafting team so that they can prepare the RKA on time. The understanding of the RKA compiler is a fundamental thing that must be possessed by the RKA compiler which has a direct impact on performance or can predict good performances.[9]

Based on the purpose of conducting training for government officials in Government Regulation no. 101 concerning Education and Training Articles 2 and 3, the need for training for government employees is useful to increase insight, skills, and ethics regarding the implementation of duties in their respective agencies. In addition, education and training is useful to always innovate, behave and have a passion to serve, protect, and empower the community. Education and training activities in the budgeting and financial sector need to be carried out to assist government employees in understanding the technical implementation of budgeting and financial reporting.

Broadly speaking, resource persons from various related agencies explained that the education and training provided by financial institutions and regional education and training helped bridge the gap for budget makers who did not have a background that was in line with the main tasks and functions of budgeting and financial reporting. Not only providing education and training, but employees need assistance in budgeting and financial reporting from the East Java Provincial government.

Training such as workshops for employees in SKPD is needed as an additional learning process to improve the skills, knowledge, attitudes, experiences of human beings to improve the quality and performance of these employees. This training aims to improve the quality, productivity and accuracy of planning, provide the latest information related to government regulations, and become a liaison between the capabilities of government employees and the objectives of the SKPD or local government.[17]

5. CONCLUSION

Based on the results of the research that has been done, it can be concluded that the obstacles experienced in the aspect of human resource competency are the lack of SKPD members with educational backgrounds related to budgeting and the lack of training and education related to financial budgeting. This can be used as a suggestion for SKPD to encourage employees to continue

their studies in areas related to budgeting, as well as provide opportunities and provide training for employees related to regional financial budgeting to improve their ability to work so that they can fulfil the preparation of budget workplan on time. This research is still in the exploratory stage, so it is hoped that further researches will be able to refine and add research on other factors related to the timeliness of the preparation of the budget work plan.

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