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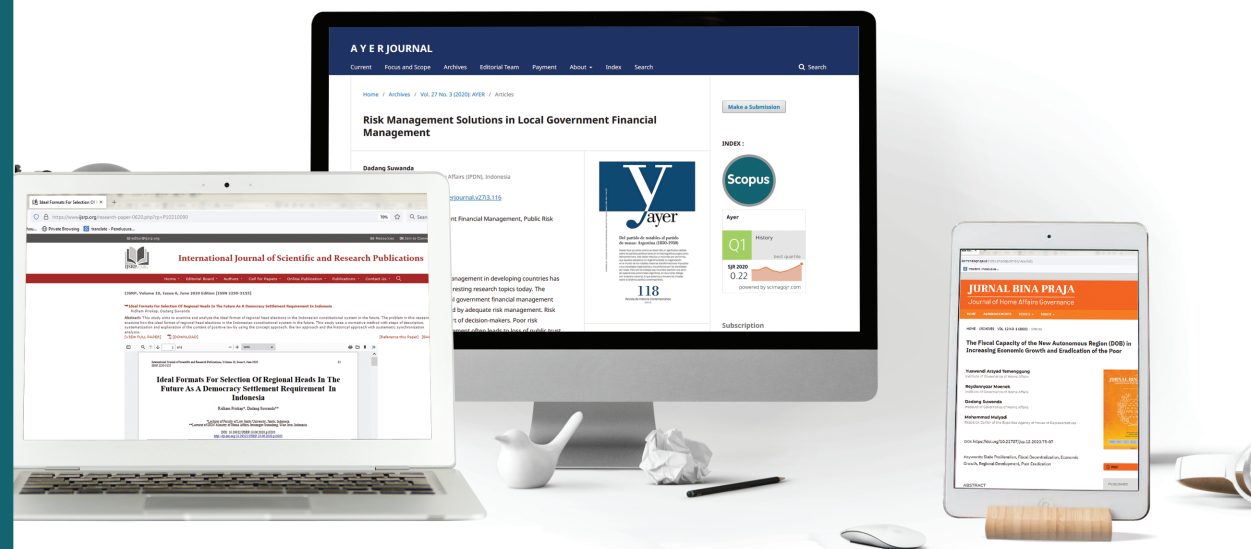


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Government and Financial Management Papers merupakan kumpulan artikel publikasi ilmiah yang diterbitkan oleh publisher jurnal yang memuat karya tulis ilmiah yang secara nyata mengandung data dan informasi tentang ilmu pengetahuan yang ditulis sesuai dengan kaidah-kaidah penulisan ilmiah serta diterbitkan secara berkala. Jurnal ilmiah adalah sebagai forum komunikasi bagi anggota masyarakat ilmiah disiplin ilmu tertentu. Karena itu dibaca oleh anggota masyarakat tertentu, karena itu jurnal ilmiah akan menyajikan artikel-artikel yang sesuai dengan minat dan kepentingan tersebut.

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Sesuai gambaran di atas, saya sampai saat ini telah menulis 16 jurnal ilmiah di berbagai jurnal baik terakreditasi nasional maupun internasional

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Bandung, Agustus 2022

Dr. Dadang Suwanda. SE., MM., M.Ak., Ak., CA.



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1

FACTORS AFFECTING QUALITY OF LOCAL GOVERNMENT FINANCIAL STATEMENTS TO GET UNQUALIFIED OPINION (WTP) OF AUDIT BOARD OF THE REPUBLIC OF INDONESIA (BPK)

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Factors Affecting Quality of Local Government Financial Statements to Get Unqualified Opinion (WTP) of Audit Board of The Republic of Indonesia (BPK)

ABSTRACT

This study aims to test both simultaneously or partially SAP Implementation How big influence, Quality Human Resources, Internal Control System Implementation, Organizational Commitment and Utilization of Information Technology affect the quality of the financial statements in relation to local government getting Unqualified Opinion of the Audit Board. The study population of the survey took place 10 in the area within the County and City Government and Development Coordination Agency Region IV West Java Province which consists of West Java Province as well as the unit of analysis is the Accounting Section relating to local government financial statements. This study used a purposive sampling method and using a multiple linear

regression analysis. Prior to the regression test, the data were tested before hand using the classical assumption test. The results of the analysis showed that the simultaneous application of SAP, HR Quality, Implementation of Internal Control Systems, Organizational Commitment and Utilization of Information Technology significantly affect the quality of local government financial reports. While partially Quality of Human Resources, Internal Control System Implementation and Utilization of Information Technology but not significantly SAP Implementation and Organizational Commitment significantly affect the Quality of Local Government Finance Report. These results need to be re-examined because there is no similarempirical studies that support or contradict these results.

Keywords: Local Government Finance Report, Implementation of SAP, HR Quality, Implementation of Internal Control Systems, Organizational Commitment and Utilization of Information Technology, and Unqualified Opinion.

1. Introduction

Under conditions in the 21st century is the century, in the entire hemisphere that order manajemen centralized government bad not a day longer, both in developed and developing countries, including Indonesia. System of government, we are experiencing a drastic and fundamental change that is from centralized to decentralized. Centralized according to Law No. 32 Year 2004 on "Local Government "Jo Government Regulation No. 38 of 2007 on "Division of" states that made up the affairs of government affairs government the full authority of the central government and government affairs are shared between the levels and/or composition of government. Centralization current affairs just stay affairs that are centralized ie foreign policy, defense, security, political, legal, monetary and national fiscal and religion.

Centralization in the past is that the central government's strategy to focus all authority over all matters relating to administration by the central government. Centralization is a power and control over the location of the central government. Centralization is widely used in government in Indonesia long before the existence of regional autonomy, especially in the days of the Kingdom of the Dutch colonial government and in the days of independence. While the decentralization of government according to according to Law No.5 of 1

974 About the "Principles of Regional Governance" is the delivery of government affairs of the center to the regions. Delegation of authority to local governments, solely in order to achieve an efficient government. Meanwhile, according to Law No. 32 of 2004 on "Local Government" mentioned delegation of government authority by the government of the autonomous regions is to organize and manage the affairs of the system of government in the Republic of Indonesia. a. With the advantage of regional autonomy for local governments are among others:

- 1) Improve the quality and quantity of public services in achieving the public welfare.
- 2) To empower and create a space for people (the public) to participate in the development process.
- 3) Creating the efficiency and effectiveness of resource management area.

On the approach to management is essentially regional autonomy is delegated authority from the central government to local governments. The greater delegation of authority from the central government to local governments will further enhance the characteristics responsibility of the person/individual, to be more innovative, high work ethic that will ultimately improve productivity high.

Changes in the governance system of centralized system into an autonomous system has a large impact on governance and the scope of work in general so as to give effect also on changes in local government finance system settings. Regional autonomy requires local governments to improve services and social welfare in a democratic, equitable, fair and sustainable. Obligations can be met if the local government is able to manage natural resources, human resources, and financial resources optimally by applying the principles of "good governance" of transparency, participation, and accountability. In the implementation, there are many local governments face a variety of problems, namely:

1. The problem of high corruption, collusion and nepotism (KKN).
The problem often faced by the organizers of the local government is often involved the problem of corruption. Today is often heard in the media about the head area, board members, employers and local officials involved in the problem of corruption. Corruption

today has involved a lot of people at all levels and throughout the system life. The number of regional heads involved in legal issues already reached ± 300 people, thousands of members of the House of Representatives (DPRD) and thousands of state administration.

2. The problem is not maximal performance.
In carrying out its affairs, many local governments are having problems organizers are not maximum performance. Performance assessment compiled each year end often do not get a satisfactory value. Every year the entire local government agencies will be evaluated later given an assessment by the Ministry of Administrative Reform and Bureaucratic Reformasi (Kemenpan RB) on performance. Assessment of performance will be evaluated in accordance with the Government Performance Accountability System. There was also evaluated in accordance with the minimum service standards that have been prepared by the Ministry of Technical.
3. Problems absorption low budget
Because of frequent official legal problem areas, which creates reluctance of implementing activities to implement tupoksinya. Giddy public officials to carry out their activities, many of the public officials concerned and alarmed eventually tend to seek safety by not carrying out its activities. It has an impact on the bud get of low absorption. Realization bud get absorbed by the organizers of the local government is spending that are internal ie personnel expenses and goods and services while capital expenditure as well as to the development of relatively low. Currently there is a tendency of avoiding the organizers of the local government to not realize their budgets, for fear of trouble with law enforcement.
4. Accountability Issues.
To carry out its activities, the local government requires a lot of fund. Any use of these funds should be recorded, reported in the financial statements and accountable to the public. The liability of each year will be examined by the Supreme Audit Agency (BPK).

The government through its National Planning has targeted that for local government financial reports fiscal year 2014 to be achieved by 2015 target of local governments should receive Unqualified Opinion examination of the CPC is as much as 60%. With the success of obtaining the Unqualified Opinion, also will affect the success of the

local government, especially in the finance area. The success of the organization of local governments to implement the demands and expectations of society that are transparent and accountable.

In addition, the government also plans to give a reward for the organizers of the local government to provide incentives for local governments to get Unqualified Opinion on financial statements in the form of incentive money of ± 30 billion, for local governments get accountability Unqualified Opinion on financial statements.

On the other hand the government also plans to give punishment in the form of delays Balance Fund, which funds DAU (General Allocation Fund) by 20% and the banning of the head area that does not get Unqualified Opinion on financial statements to progress in following the local elections next period. Not get Unqualified Opinion CPC examination by the local government in general is caused not berkualitasnya local government financial statements.

Overview of Reports Semester Examination Results 2013 CPC mention the problems that occur in the area of financial management include the following:

1. Internal Control System has not been optimal.
2. The duties and function are not yet fully SKPDs based on the identification and analysis of risks.
3. Management of assets that are not orderly recording and reporting of assets has not been fully in accordance with provisions.
4. Management Information Systems Regional Property (SIMDA BMD) which has not been fully utilized.
5. Standard Operating Procedure (SOP) on SKPDs asset management has not effectively applied.
6. HR Competency is not entirely adequate.
7. Follow-up findings have not been implemented optimally by SKPDs, characterized by recurrent findings and only changed locus.
8. Indonesian Accounting magazine edition No. 18 July 2009 says that in order to build Institution Accounting System (SAI), as stipulated in the Regulation of the Minister of Finance No. 59 of 2005, efforts should be pursued and conditioned by the central and local agencies are, they are:
 - 1) The commitment of the leadership (management commitment)
Strong of each accounting unit leaders at every level.

- 2) The computer and printer (hardware) is required for the proper functioning of these devices can at every level of the accounting unit.
- 3) Human resources (brain ware) to be held SAI at every level of financial accounting units/goods are required to have sufficient capacity in terms of accounting and computer operations.
- 4) Budget (budget) which is enough to hold the Intitution Accounting System (SAI) at each level of the accounting unit.
- 5) the Review of adequate and qualified by the internal control apparatur (Finance and Development Audit Agency (BPK), the Inspector General/Main Inspectorate of the Ministry and State Instituti ons, Inspectorate Provincial/District/City) supported Staff Internal Auditor with competence in accounting.

From the results of previous studies it is known that the factors that affect the quality of the financial statements that have been made by previous author, namely:

1. Nugrabeni and Subaweb (2008) in his research concluded the influence of the application of Government Accounting Standard (SAP), knowledge managers User As istant Budget Accounting Unit Echelon I (UAPPA-EI) and the Accounting Unit Vice Users Goods (UAPPB) adequate and availability of facilities and infrastructure to improving the quality of financial statements of the Inspectorate General of the Ministry of National Education.
2. Mustafa. et al (2010) in his research concluded that the capacity of Human Resources (HR) does not affect the reliability of the financial statements, but the accounting internal control and utilization of informati on technology affects the reliability, it is. financial reporting. The reliability of financial reporting did not affect the timeliness of financial reporting, while the capacity and utilization of information technology affect the timeliness of financial reporting.
3. HR capacity affects the reliability, it is because it is characteristic of human resource in Kendari that still have low capacity and level of education are still relatively low, especially in the field of accounting. The reliability of financial reporting did not affect the timeliness can be caused by an attempt to meet a criteria for reliable financial reporting presentation, various effotts both

material and non-material, which resulted in the time needed to prepare a reliable financial reporting system will be longer.

4. Arfianti (2011) in his research concluded that the Internal Control System significant positive effect on the reliability of financial reporting of local government. while the quality of human resources, the utilization of information technology, and financial oversight of the area has no effect. Besides, the quality of human resources and utilization of Information Technology significant positive effect on local government financial reporting timeliness, while the area of financial control has no effect.
5. In the same year, O'Rourke (2011) give a conclusion inconsistent with Arfianti (2011) and Mustafa, et al (2010), where O'Rourke (2011) found the use of technology, accounting internal control, and organizational commitment significantly influence the reliability of financial reporting. While the quality of human resources no significant effect on the reliability of financial reporting. In the second test showed that the use of information technology and organizational commitment significantly influence the timeliness of financial reporting. While the quality of human resources and accounting internal control did not significantly influence the timeliness of financial reporting.
6. Sukmaningrum (2012) in his research concluded that the Internal Control System significant positive effect on the quality of financial reporting information of local government, while the Human Resources competence has no effect. Competency of human resources is not significant due to the lack of human resources itself in terms of quality and quantity. External factors can not be used as the relationship between human resource competencies and internal control system of the quality of financial reporting information. External factors play a role as the independent variable and does not affect the quality of financial reporting information, this is due to the dynamics of change in the government sector is not accommodated by the readiness of human resources and not proactive to public pressures.

Based on the phenomena above mentioned problems. the authors are interested in doing research with the title: "Factors Affecting the Quality of Local Government Finance Report To Obtain Unqualified Opinion of BPK.

From the foregoing it is concluded identification of problems taken are:

1. How big is the SAP Implementation, Quality Human Resources, Internal Control System Implementation, Organizational Commitment and utilization of information technology affect the quality of the local government's financial statements?
2. What factors are most dominant influence on the quality of the local government's financial statements?
3. What factors are affecting the financial statements of local governments to obtain Unqualified Opinion of BPK?
4. What strategies do local governments to improve the quality of local government financial reports?

2. Review of literature

2.1. of Local Government

Bastian (2001: 203) states that "local government is the bead of the region along with the other autonomous regions as regional executive body. Halim (2002: 2) states that "the local government is the bead of the region and the Parliament". While understanding the local government according to the Law of the Republic of Indonesia Number 32 of 2004 Article 1 refers to the implementation of the government by local governments and legislators are according to the principles of autonomy and assistance with the principles of the Republic of Indonesia. In running events, local government headed by governors, regents, mayors and local officials as an element of local government.

From the above understanding in general can be interpreted that the local government is the area that is intended to be able to run, manage and organize the course of local government. According to Government Regulation No. 58 Year 2005 on Regional Financial Management stated: Local government is the regional administration according to the principles of autonomy and assistance with the principle of broad autonomy within the system and the principles of the Republic of Indonesia as defined in the Constitution of 1945. Local government is a governor, regent or mayor, and the Region as an element the regional administration.

The relationship of authority between the central government and provincial governments, countries and cities, governed by the laws by taking into account the specificity and diversity of the area. Financial relations, public services, utilization of natural resources and other resources between the central government and local government organized and implemented fairly and equitably under the law. Local governance is the implementation of government affairs by the local government and the parliament, according to the principles of autonomy and assistance with the principle of broad autonomy within the system and the principles of the Republic of Indonesia as defined in the 1945 Constitution. In the law governing state finances, noted that the financial management authority is as part of governmental power and authority of the president of the state's financial management partially submitted to the governor/regent/mayor as head of the local government to manage the financial area and represent local governments in property ownership separated areas.

Such provisions have implications for the regulation of financial management, namely that the head region (governor / regent / mayor) is the area of financial management authority and responsibility for the financial management of the area as part of a local government authority. In exercising his powers, regional head delegate some or all areas of financial powers to officials of local devices. Thereby setting the area of financial management and accountability attached to and become one with the local government setting, ie regulations concerning local government. Local government functions according to the Law of the Republic of Indonesia Number 32 of 2004 are:

1. Local governments organize and manage their own affairs according to the principles of autonomy and assistance.
2. Run the widest possible autonomy, except for governmental affairs of government affairs with the aim of improving public welfare, public services and regional competitiveness.
3. The local government in conducting the affairs of government has a relationship with the central government local government. Where is this relationship include the authority, finance, public services, utilization of natural resources, and other resources.

2.2. Financial Statements.

Basically, the financial statements is a form of accountability for stewardship of economic resources owned by the entity. Published reports be prepared under the accounting standards so that financial statements can be compared to the financial statements of the prior period or can be compared with the financial statements of other entities. The financial report is the final product of the accounting process. For that before defining the financial statements, note first accounting terms of some of the opinions of experts who can be used as consideration, namely:

Weygandt, Kieso, and Kell (1996: 180) states accounting is a process of three activities: identifying, recording, and communicating the economic events of an organization (business or nonbusiness) to interested users of the information. Munawir (2002: 5) defines accounting is the art of recording, classifying and summarizing rather than events and happenings at least partly finance the rigorous manner and with a pointer or expressed in money, as well as the interpretation of matter arising. Horngren, Harrison, and Bamber (2002: 227) states: accounting is the information system that measures business activities, processes that information into reports, and communicates the results to decision makers.

From the definition of the expetts, it can be concluded that the accounting process is a series of transactions / events and financial events are identified, recorded, and then classified and reported periodically in the form of financial statements that are then used in the assessment and decision-making for parties-parties who have an interest in the business entity concerned. Accounting organize and summarizet be economic information so that decision makers can use it. The i nformation is realized in the form of financial statements. As a final act of the accounting process is the preparation of the financial statements. According Munawir (2002: 2) states: The financial statements are the result of tbe accounting process that can provide information about the state of the company as well as a communication tool between financial data with interested parties with the company's data. According to I PSAS (International Public Sector Accounting Standards) stated Structured Representation of the financial position of and the transactions under taken by the entity.

In the explanation described, the financial statements are as a result of the accounting process is the liaison between the company and stakeholders by providing useful information for the parties to know the state and development of the company in question. Horngren, Harrison, and Bamber (2002: 63) states:

"Financial statement is documents that report on a business in monetary Amounts, providing information to help people make-informed business decisions. Kieso, Weygandt, and Warfield translated by Salim, E. (2007: 2) states: the financial statements are the primary means of communicating financial information to parties outside the corporation. This report displays the history of the company that quantified in monetary value. The financial statements are often presented are (1) the balance sheet, (2) the income statement, (3) statement of casflow, and (4) tatement of owner's equity or hareholders. In addition, the notes to the financial statements or disclosures are also an integral part of any financial statements.

According to I PSAS mention accrual financial statements in general at least consist of the Balance Sheet, Statement of Financial Performance, Statement of Changes in Net Assets/Equity. Statement Cash Flow and the Accounting Policies and Notes to the Financial Statements (Note on Accounting Policies and Notes to Financial Statements. IAI (2004: 3) defines the financial statements are part of the financial repotting process. Complete financial statements typically include a balance sheet, income statement, statement of changes in financial position (which can be expressed in various ways for example. as a statement of cash flows, or flows of funds), notes and ot her statements and explanatory material that are an integral part of the financial statements. Besides, it also includes schedule and additional information relating to the report, for example, the financial information industry and geographical segments and the di sclosure of the effect of changes in the price.

From the above definition, it can be concluded that the financial statement report the results of the accounting process are quantified in monetary values that provide information about the financial condition of a company at a certain period, to assist interested parties in decision-making, which usually consists of a balance beet, income tatement, tatement of change in equity, cab flow tatement and note to the financial statements.

2.3. Local Government Finance Report (LKPD)

Public sector organizations are required to be able to make external financial reports. The form of financial statements of public sector can basically be adapted from the financial statements in the private sector that are tailored to the nature and characteristics of the public sector as well as to accommodate the needs of public sector financial statements. However, the financial statements of the public sector can not simply be equated with the financial statements of both the private sector and format elements. This is due to public sector organizations have restrictions in the form of non-monetary considerations, such as social and political considerations. LKPD is a form of accountability for stewardship of economic resources owned by an entity. The financial statements are issued must be prepared in accordance with applicable accounting standard so that financial statements can be compared to the prior year financial statements or in comparison with the financial statements of other entities. Bastian (2002: 7) says:

"The financial statements of local government is part of the financial reporting process in which local governments are structured to present the financial position of transactions carried out by a local government entity. Government Regulation No. 24 of 2005 concerning the Government Accounting Standards mention the financial statements are structured reports on the financial position and transactions performed by a reporting entity Haryanto et al (2007: 17) mentions "Local Government Finance Report (LKPD) in principle is the result of a combination or consolidation of the financial statements SKPDs".

LKPD compiled by the Regional Financial Management Officer (PPKD). LKPD preparation process no later than three months after the end of the relevant fiscal year. LKPD arranged in order to meet the accountability of the budget. Preparation and presentation of LKPD conducted in accordance with government regulations governing the Government Accounting Standards (SAP). LKPD presentation accompanied by a summary of actual performance and financial statements of enterprises/companies area. LKPD submitted to the Supreme Audit Agency (BPK) for examination. LKPD which has been audited by BPK, the next audit report submitted to Parliament to be discussed and determined by local regulations concerning accountability of the budget. According

to Government Regulation No. 24 of 2005 concerning Government Accounting Standards (SAP) explained that the financial report is structured reports on the financial position and transactions carried out by a reporting entity. Within the government reporting entity is a government unit consisting of one or more of the accounting entity under the statutory provisions shall submit an accountability report in the form of financial statements, which consist of:

- 1) The Central Government.
- 2) Local.
- 3) Unit of environmental organizations in the central/regional or other organizations, if under the laws of organizational units shall be present financial statements.

LKPD is information that contains data on the various elements of the structure of wealth and financial structure is a reflection of the result of a particular activity. LKPD term includes all reports and various explanations that recognizes the report will be recognized as part of the financial statements. Based on the Regulation of the Minister of Home Affairs No. 13 of 2006, there were four (4) components of the financial statements to be presented every Local Government in its financial reporting, namely:

- 1) Budget Realization Report

The report presents an overview of the budget realization of the source, the allocation and use of economic resources that are managed by the central government/local. which illustrates the comparison between the budget and its realization in the reporting period. Elements covered directly by the budget realization report consists of revenue, expenditure and financing transfers.

- 2) Balance

Balance of the financial position of an entity's reporting of assets, liabilities and equity on a given date. Assets are economic resources controlled and / or owned by the government as a result of past events and from which economic benefits and / or social in the future is expected to be obtained, either by the government or the public, and can be measured in terms of money, including resource non-financial as necessary to provide services to the public and resources are preserved for historical and cultural reasons. Liabilities are debts that arise and past events settlement resulting

outflow of economic resources of government. Equity Fund is the government's net worth is the difference between assets and liabilities of the government.

3) Statement of Cash Flows

Statements of cash flows present cash information in connection with the operational activities, non-financial assets in vestment, financing, and non-budgetary transactions that describe the initial balances, revenues, expenses and cash-end balance of the central government/area during a certain period. Element that includes the cash flow statement consists of cash receipts and disbursements. each of which can be described as follows:

- (1) Cash receipts are all cash flow coming into the State Treasurer/Regions.
- (2) Cash disbursements are all cash flow coming out of the General Treasurer of the State/Regional.

4) Notes to Financial Statements

Notes to the Financial Statements include a narrative description or details of the numbers listed in the Budget Realization Report, Statement of Changes in SAL, Report of Operations, Statement of Changes in Equity, Balance Sheet, and Cash Flow Statement. Notes to the Financial Statements also include information about the accounting policies used by the reporting entity and any other information required and encouraged to be disclosed in the Government Accounting Standards and phrases needed to produce a fair presentation of the financial statements.

Notes to the Financial Statements express/present/provide the following matters:

- (1) Disclose General information about the Reporting Entity and Entity Accounting.
- (2) Presenting information About Fiscal Policy/Finance and Macroeconomics.
- (3) Presents an overview of the achievement of financial targets for the year following the reporting constraints and obstacles faced in achieving the target.
- (4) Present information about the basis of preparation of the financial statements and accounting policies selected to be applied to the transaction and the transaction of other important events.

- (5) Presents the details and explanation of each item presented on sheets of financial statements.
- (6) Disclose information required by the Governmental Accounting Standards are not presented in the financial statements cover sheet.
- (7) Provide other information necessary for the fair presentation, which is not presented in the financial statements cover sheet

Government Regulation No. 24 of 2005 concerning the Government Accounting Standards mention the eight principles used in accounting and financial reporting of government namely:

- 1) Basis of Accounting
Accounting basis used in the financial statements of government is based on base cash/accrual for the recognition of revenue, expenditure and financing in the realization of the budget and report on an accmal basis for the recognition of assets, liabilities and equity on the balance sheet.
- 2) Historical Value (Historical Cost)
Assets are recorded at the expense of cash and casb equivalents paid or the fair value of the consideration amount (consideration) to acquire the asset at the time of acquisition. Liabilities are recorded at tbe amount of cash and cash equivalents are expected to be paid to meet obligations in the future in the implementation of government activities.
- 3) Realization
For the government, which has been authorized through the revenue budget for a fiscal year will be used to pay debts and expenditures within a certain period.
- 4) The substance Outperform Form Formal (Substance Over Form)
The Information is intended to present the transaction fair and other events !bat are supposed to be served, then the transaction or other event that needs to be recorded and presented in accordance with the substance and economic reality, and not just a formality aspects. If the substance of the transaction or event inconsistent/different from the aspect of formality, then it must be clearly disclosed in the notes to the financial statements
- 5) Periodicity
Accounting and financial reporting activities of the reporting entity should be divided into periods so that the reporling entity's

performance can be measured and the position of its resources will be determined. The main period used is annual. However, the period of monthly, quarterly and semiannual also recommended.

6) Consistency

The same accounting treatment applied to similar events from period to period by a reporting entity (the principle of internal consistency). This does not mean that there should be no change of the accounting method to another method of accounting. Accounting methods used can be changed with the proviso that the new method is applied is able to provide better information than the old method. The influence of the change in the application of this method are disclosed in the notes to the financial statements.

7) Full Disclosure

Financial statements present the full information required by the user. Information needed by users of financial statements can be placed on the cover sheet (on the face) the financial statements or the notes to the financial statements.

8) Fair Presentation

Reasonable financial statements present the realization of the budget report, balance sheet, cash flow statement and notes to the financial statements. Professional judgment required for making up the financial statements when the unpredictability of events or circumstances. Such uncertainties are recognized by revealing the nature and level with the use of professional judgment in preparing financial statements. Professional judgment contains an element of prudence when making estimates under conditions of uncertainty so that assets or income are not too high and liabilities stated otherwise not too low. In assessing the fairness of the financial statements of the organizer of the State, the Act of 1945 Section 23E, Law No. 15 of 2004 and Act 15 of 2006 instructs CPC to check (audit) and the management of state financial responsibility undertaken by the central government, local government, other state agencies, Bank Indonesia, state-owned enterprises, public service agencies, locally owned enterprises, and institutions or other entities that manage state finances.

2.4. Characteristics of Local Government Finance Report (LKPD)

Qualitative characteristics of financial statements in accordance with Government Regulation No. 71 Year 2010 concerning Government Accounting Standards (SAP) is a normative measures or standards that need to be realized in the accounting information so that it can fulfill its purpose. The following four characteristics are prerequisite necessary normative order LKPI can meet the desired quality are:

1) Relevant.

The financial statements can be said to be relevant if the information contained in it can affect the user's decision to help them evaluate the events of the past or the present and predict the future and confirms or corrects the results of their evaluations in the past. Thus the financial statements relevant information can be linked to its purpose the relevant information is:

(1) Has the benefit of feedback (feedback value)

Information allows the user to confirm the expectation correcting tool in the past.

(2) Has the benefit predictive (predictive value)

The information can help users to predict the future based on the past and present events.

(3) On-time

Information presented on time so that they can influence and be useful in decision making.

(4) Complete

Government financial accounting information is presented as completely as possible including all accounting information that can influence decision making. Background information of each item of Information contained in the primary financial statements disclosed clearly that mistakes in the use of such information can be prevented.

2) Reliability

The information in the financial statements are free of misleading understanding and material errors, presenting any facts honestly, and can be verified. Information may be relevant, but if the nature or presentation unreliable then the information user can potentially misleading. The information reliably meet the following characteristics:

- (1) Presentation honest
Information honesty describe transactions and other events that should be presented or that may reasonably be expected to be presented.
- (2) Can be verified
The information presented in the financial statements can be tested. and if the test is done more than once by different parties, the results still show that not much different conclusion.
- (3) Neutrality
Information directed at the general need and not in favor of the needs of a particular party.
- 3) Can be compared
Users should be able to compare the financial statements of entities between periods to identify the trend position and financial performance. Users also should be able to compare the financial statements to evaluate an entity's financial position. performance and changes in financial position is relative. Therefore, measurement and presentation of the financial effects of transactions and other similar events should be done consistently for the entity an entity that same period and for different entities.
- 4) Can Be Understood
The information presented in the financial statements can be understood by the user and is expressed in the form and term that are tailored to the understanding of the users. To that end. the user is assumed to have sufficient knowledge on the activities and the reporting entity's operating environment, as well as the willingness of users to learn the information in question.

2.5. Purpose Local Government Finance Report (LKPD)

Mardiasmo (2004: 37) explains that, generally speaking, the general purpose financial statements by local governments are as follows:

- 1) To provide information used in the decision-making of economic, social and political as well as proof of responsibility (accountability) and management (stewardship).
- 2) To provide information that is used to evaluate the performance of managerial and organizational.

While specifically, the purpose of the presentation of the financial statements by local governments are as follows:

- 1) Providing financial information to determine and predict cash now, balance sheet, and the need for short-term financial resources of government units.
- 2) Providing financial information to determine and predict the economic conditions of a unit of government and the changes that occur in it.
- 3) Providing financial information to monitor performance, compliance with laws and regulations, contracts that have been agreed upon, and the other provisions required.
- 4) Provide information for planning and budgeting, as well as to predict the effect of spending pemilikan and economic resources to the achievement of operational objectives.
- 5) Provide information to evaluate the performance of managerial and organizational.

According to Government Regulation No. 71 Year 2010 concerning Government Accounting Standards (SAP) stated that the government's financial reporting should provide information to users in assessing accountability and make a good decision-making of economic, social or political in a way:

- 1) Provides information about the source the allocation and use of financial resources.
- 2) Provide information regarding the adequacy of the current period revenues to finance all expenses.
- 3) Provide information on the amount of economic resources that are used in the activities of the reporting entity and the results that have been achieved.
- 4) Provide information on bow the reporting entity to fund its operations and meet its cash needs.
- 5) Provide information regarding the financial position and condition reporting entity associated with sources of revenues, both short term and long term, including those derived from taxation and borrowing.
- 6) Provide information regarding changes in the reporting entity's financial position, whether an increase or decrease, as a result of activities undertaken during the reporting period.

To meet these objectives, financial statements provide information about the sources and uses of financial resources/economics, transfer. financing. rest more/less implementation of the budget, the budget balance is more. surplus/deficit Operational Reports (LO), the assets. liabilities, equity, and cash flows of the reporting entity.

2.6. Opinion Local Government Finance Report (LKPD).

According to Generally Accepted Accounting Standard (SPAP) SA Section 110 paragraph 01 (PSA No. 02) (2001 : 28). the purpose of an audit of financial statements by an independent auditor in general is to express an opinion on the fairness, in all material respects, the financial position, results of operations, changes in equity and cash flows in accordance with accounting principles generally accepted in Indonesia. In conducting the audit, the auditor should gather evidence of the reasonableness of the information contained in the report of the company by examining the accounting records supporting the report. Statement of the auditor's opinion must be based on the audit performed by the auditing standards and on its findings. The audit report which includes paragraphs, sentences, phrases, and words used by auditors to communicate audit results to the user audit report. Auditors express an opinion on the fairness of the financial statements of the company in a statement.

According Mulyadi (2002: 9) the auditor's report was comprised of :

1) Introduction paragraph

Introductory paragraph included in the first paragraph of the audit report raw form. Auditors revealed three facts in the introductory paragraph. The first fact is the disclosure of the type of services provided by the auditor. The second fact about the object to be audited. Furthermore, the disclosure of management responsibility for the financial statements and the auditor's responsibility for the opinion given on the financial statements based on the results of the audit.

2) Scope paragraph

Paragraph scope of the auditor's audit contains concise statement of the scope of the auditor's audit conducted. In addition, the audit scope paragraph also explained that the audit has been carried out

based on the auditing standards established by the organization of the public accounting profession. The audit performed by the auditing standards provide an adequate basis for the auditor to give an opinion on the audited financial statements.

3) Opinion paragraph

The third paragraph in the financial statements of the standard form used paragraph opinion of the auditor to express an opinion on the audited financial statements. In the opinion paragraph, the auditor expressed an opinion on the fairness of financial statements and compliance with generally accepted accounting principles. There are five types according to the auditor's opinion Mulyadi (2002: 20-22), namely:

1) Unqualified opinion

With an unqualified opinion, the auditor stated that the financial statements present fairly in all material respects in accordance with generally acceptable accounting principles in Indonesia. The audit report with an unqualified opinion issued by the auditor if the following conditions are met:

- (1) All of the balance sheet, income statement, statement of changes in equity and cash flow statement contained in the financial statements.
- (2) In the exercise of the engagement, all common standards can be met by the auditor.
- (3) Evidence can be collected enough by the auditors, and the auditors have conducted the engagement in a way that makes it possible to carry out the three standards of field work.
- (4) The financial statements are presented in accordance with generally acceptable accounting principles in Indonesia.
- (5) There is no situation that requires the auditor to add an explanatory paragraph or modification of words in the audit report.

2) An unqualified opinion with an explanatory language (unqualified opinion with an explanatory language)

In certain circumstances, the auditor add an explanatory paragraph or other explanatory language in the audit report, although it does not affect an unqualified opinion on the financial statements audited. Included an explanatory paragraph

following the opinion paragraph. State that the main cause of the addition of an explanatory paragraph or modification of words in the standard audit report are:

- (1) Inconsistency application of accounting principles generally acceptable. Inconsistencies occur if there is a change in accounting principles or accounting methods that have a material due to the comparability of financial statements of the company.
 - (2) Substantial doubt about the viability of an entity.
 - (3) The auditor agrees with a deviation of accounting principles issued by the Financial Accounting Standards Board.
 - (4) The emphasis on something.
 - (5) The audit report involving other auditors.
- 3) Qualified opinion.

A qualified opinion is given if the auditee's financial statements present fairly, in all material respects in accordance with generally acceptable accounting principles in Indonesia, except for the impact of the excluded. A qualified opinion expressed in the circumstances:

- (1) The lack of sufficient competent evidence or any limitation on the scope of the audit.
 - (2) the auditor believes that the financial statements contain deviations from generally acceptable accounting principles in Indonesia, which have a material impact, and be concluded not to express an opinion is not fair.
- 4) Adverse opinion

The opinion given by the auditor is not fair if the auditee's financial statements do not present fairly the financial statements in accordance with generally acceptable accounting principles.

- 5) Disclaimer of opinion

The auditor expressed no opinion if he does not perform an audit which has scope sufficient to enable the auditor give an opinion on the financial statements. This opinion is also given when he was in a state independent of the client.

Refer to Technical Bulletin 01 of Inspection Results Reporting to the Financial Statements set forth in the Decree of the Government of CPC No. 4/K/IXIII.2/912012 paragraph 13 of the type of Opinion, there are four types of opinions that may be given by the examiner, namely:

- (1) unqualified (WTP) include a statement that the financial statements present fairly in all material respects in accordance with the Governmental Accounting Standards (SAP). In accordance with Generally Accepted Accounting standards (SPAP) imposed in SPKN, CPC can provide an unqualified opinion with an explanatory paragraph due to certain circumstances that require the examiner to add an explanatory paragraph in LHP as a modification of WTP opinion.
- (2) Naturally, with the exception of (WOP) include a statement that the financial statements present fairly, in all material respects in accordance with SAP, except for the impact of things-things related to the excluded.
- (3) Unusual (TW) include a statement that the financial statements do not present fairly in all material respects in accordance with SAP.
- (4) A statement of opinion or declined to give an opinion (TMP) states that the examiner did not express an opinion on the financial statements.

2.7. Factors affecting the quality of Local Government Finance Report.

One form of concrete to create transparency and accountability of financial management is the enactment of Law No. 17 of 2003 on State Finance requiring accountability report form and content of the implementation of the State Budget/Budget prepared and presented in accordance with government accounting standards set by government regulation. In accordance with the mandate of Law No. 17 of 2003, the government issued Government Regulation No. 71 Year 2010 regarding the Government Accounting Standards (SAP). SAP is the accounting principles applied in preparing and presenting the financial statements of the government.

Thus, SAP is a requirement which has the force of law in an effort to improve the quality of financial reporting in the Indonesian government. Besides SAP Implementation, Quality Human Resources, Internal Control Implementation, Organizational Commitment and Utilization of Information Technology also affects the process of government accounting in the financial statements quality produce.

2.8. Implementation of Government Accounting Standards (SAP)

Indonesian Government Regulation No. 71 Year 2010 states that "the Government Accounting Standards, hereinafter referred to as SAP, is the accounting principles applied in preparing and presenting the financial statements of the government."

According to Bastian (2006: 134):

"Government Accounting Standards, hereinafter referred to as SAP, is the accounting principles applied in preparing and presenting the financial statements of the government. Thus SAP is a requirement which has the force of law in an effort to improve the quality of financial reporting in the Indonesian government."

From the above explanation can be the authors conclude that SAP is the accounting principles to be applied in preparing and presenting the financial statements of local and central government. Thus SAP is a requirement which has the force of law in an effort to improve the quality of financial reporting in the Indonesian government. SAP in Indonesia was first regulated by Government Regulation No. 24 of 2005 with a cash basis to the accrual basis, subsequently updated through Government Regulation No. 71 of 2010. There are two (2) attachment in Government Regulation No. 71 of 2010, the first attachment on an accrual basis and annex II uses the cash basis to the accrual to accommodate the return of PP No. 24 of 2005 which are intended for entities that have not been able to use the accrual basis.

The Financial statements in accordance SAP for the preparation of reports accountability of state budget/budget. covering the Budget Realization Report, Balance Sheet, Cash Flow Statement, and Notes to Financial Statements. Government regulation is also the implementation of Article 184 paragraph (1) and (3) of Act No. 32 of 2004 on Regional Government, which states that the Local Government Financial Statements are prepared and presented in accordance with Governmental Accounting Standards set by Government Regulation.

Appendix II of Government Regulation No. 71 of 2010 in a systematic and structured financial reports generated hinted the government should contain the following elements:

- 1) Accountability
Account for resource management and policy implementation is entrusted to the reporting entity in achieving the goals set periodically.
- 2) Management
Help users to evaluate the implementation of a reporting entity in the reporting period, so as to facilitate the planning, management and control of all assets, liabilities, and equity of public funds for the benefit of society.
- 3) Transparency
Provide financial information that is open and honest with the public based on the consideration that the public has a right to find out openly and comprehensively on government accountability in the management of the resources entrusted to him and his obedience to the laws and regulations.
- 4) Intergenerational equity
Assist the user in knowing the adequacy of the government's revenues in the reporting period to cover all the expenses allocated and whether future generations will be assumed to bear the burden of these expenses.

Based on the description above, deduced from the indicators used SAP application of modified authors are:

- 1) All transactions are recorded using the accrual basis and cash basis until the end of 2014, willie in 2015, using the accrual basis method.
- 2) The standard practice for recording financial transaction
- 3) Used To provide information and computerized decision-mating.
- 4) Where the system is designed in phases and stmts at the source of the data in the area
- 5) To facilitate the planning, budget execution, and accountability and financial reporting of the central government.
- 6) Suitability financial accounting system that meets Government Accounting Standards (SAP)
- 7) The procedure for recording transactions conducted by standard paint of accounting in general
- 8) Preparation of the financial statements and reported periodically

2.9. Quality of Human Resources (HR)

Law No. 17 of 2003 on State Finance and Government Regulation No. 71 Year 2010 concerning Government Accounting Standards (SAP) has brought major changes and provides a new approach in the management of government finances. The amendment is a change of a pragmatic, willie changes are more pragmatic, willch is associated with the financial administration area. That change has reached the accounting techruque that involves a change in the accounting system approach and recording procedures, documents and forms are used, the funct ions of authorization for the purpose of internal control systems. reporting, and monitoring. Human resources is one of the most important elements of the orgallization, therefore it must be ensured that the management of human resources is done as possible. in order to contribute optimally to the achievement of organizational goals. Widodo (2001) defines these changes require the suppott of technology a nd qualified human resources, willch is capable of carrying out the duties and responsibilities assigned to him by the provision of education, training, and experience are sufficient.

Wiley (2002: 3) defines "Human resources me the main pillars simultaneously driving the organization in an effort to realize the vision and mission and goals of the orgaruzation".

In good public financial management, work units should have quilified human resources, supported by accounting educational backgrounds, often take part in education and training, and have experience in finance. So as to implement accounting systems, human resources (HR) quality will be able to understand the logic of good accounting. The failure of the Government of human resources in understanding and applying the accounting logic errors will have an impact on the financial statements are prepared and discrepancy repotts with the standards set by the government. Based on the description above. an indicator of the quality of human resources (HR) used a modified version of the author are:

- 1) Sub-department of finance/accounting minimum educational background D3 accounting.
- 2) Sub-section finance/have a description of the role and function clear.

- 3) The role and responsibilities of the accounting function of supporting resources
- 4) The role and responsibility of all employees of subpart financial/ accounting are clearly set out in the local rules.
- 5) Description of the tasks subpart finance / accounting in accordance with accounting functions.
- 6) Sub-section Finance / accounting have resources sufficient operational support
- 7) Trailing/expertise to help control and the development of expertise in the task done.
- 8) SKPDs have qualified human resources able to devise appropriate LKPD SAP.

2.10. Internal Control System

Internal control is defined by COSO (1992) are:

"Internal control is a process, effected by an entity's board of directors, management and ot her personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- 1) Effectiveness and efficiency of operations
- 2) Reliability of financial reporting
- 3) Compliance with applicable laws and regulations. "According to Wilkinson et al. in Indriasari (2008: 57):

"There are six (6) components in explaining the system of internal control, namely:

- 1) Standard Operating Procedure (SOP)
- 2) Separation of powers.
- 3) Documents and records sufficient
- 4) Disciplinary action for violations.
- 5) Resttictions on access.

Definition of control according to Azhar Susanto (2007: 88) is the "Control covers all methods, policies, and procedures that guarantee the securit y orga nization company's assets, the accuracy and reability of the data management and other management operations standards".

According to COSO (Communication Of Sponsoring Organizations), quoted by Santoyo Gondodiyoto (2009: 153) states:

"Internal control is a process, involving the board of directors, management, audit committees, internal audit, and all members of the organization and has three main objectives, namely: effectiveness and efficiency of operations, reliability of financial statements and encourage adhered to existing laws and regulations".

While the internal control system according to Petrovits et al (2011: 5):

"Internal control is broadly defined as the process put in place by management to provide reasonable assurance regarding the achievement of effective and efficient operations, reliable financial reporting, and compliance with laws and regulations"

Government Regulation No.60 of 2008 defines:

"Internal control is a process that is integral to the actions and activities that are carried out continuously by management and all employees to provide reasonable assurance on the achievement of organizational goals through effective and efficient, the reliability of financial reporting, security of state assets, and compliance with laws in violations. SPI is a control activities mainly on the management information system that aims to ensure the accuracy and completeness of the information ".

2.11. Organizational Commitment

Compliance theory provides an explanation of the effect of compliance behavior in the process of socialization. Individuals tend to obey the laws which they deem appropriate and consistent with their internal norms, ie normative commitment through personal morality (normative commitment through morality) means obeying the law because the law is regarded as a necessity and normative commitment through legitimacy (normative commitment through legitimacy) means comply with the law as constituent authority has the right to dictate behavior. Thus the existence of organizational commitment will maintain compliance with the government's presentation of the financial statements in accordance with SAP reliable. According to Meyer et al (1991, in Soekidjan, 2009: 124) stated that the commitment can also mean a strong acceptance of individuals against the goals and values of the organization, and individuals strive and work and have a strong desire to remain in the organization.

Mowday et al. in Darma (2004: 45) states the organization's commitment and support a strong conviction of the value and the goal organization wants to achieve. According Ikhsan and Isaac (2008: 35) that:

"The commitment of the organization is the degree to which an employee is in favor of a particular organization and its objectives, and intend to maintain membership in the organization. High commitment to make individuals more concerned with the organization rather than private interests and strive to make the organization better. Low organizational commitment that will make people to do for their own interests".

Mowday, et. al. in Ikhsan and Isaac (2008: 37) argues that organizational commitment awakened when each individual develops three interrelated attitudes towards organizations and professionals, among of hers:

- 1) Identification, which is an understanding or appreciation of organizational goals.
- 2) Involvement, the feeling of being involved in a job or a feeling that the work is fun.
- 3) Loyalty, which is the feeling that the organization is a place to work and live.

Commitment is the ability and willingness to align personal behavior to the needs, priorities and goals of the organization. It is the view of Soekidjan (2009: 201) covers how to develop goals or meet the needs of organizations that essentially put the mission of the organization of the personal interests.

Furthermore Soekidjan (2009: 203) explains that in general a strong commitment to the organization proved, increase job satisfaction, reduce absenteeism and improve performance According to Quest (1995, in Soekidjan, 2009: 205) commitment is a central value in realizing organizational solidity. Quest research results about the organization's commitment to get results:

- 1) High commitment from members of the organization correlates with high motivation and increasing performance.
- 2) Commitment highly correlated with self-reliance and Self Control.
- 3) High commitment correlated with loyalty to the organization.

- 4) Commitment highly correlated with no involvement of members of the collective activity that reduces the quality and quantity of their contribution. In the context of the government, officials who have high organizational commitment, will use the information you have for preparing the financial statements to be relatively more precise. In addition, organizational commitment can be a psychological tool in running the organization for the achievement of expected performance (Nouri and Parker, 1996: 76; Chong and Chong, 2002; 82; Wentzel, 2002: 165). With the commitment of the organization will maintain compliance with the government's presentation of the financial statements in accordance with SAP reliable.

Based on the description above, an indicator of Organizational Commitment use of modified authors are:

- 1) Afektive Commitment
- 2) Normative commitment
- 3) Continuance commitment

2.12. Utilization of Information Technology

Information technology includes computers (mainframes, mini, micro), soft ware, databases, net works (Internet, intranet), electronic commerce, and other types of related technologies (Wilkinson et al., 2000: 34). Other than as an information technology computer technology (hardware and soft ware) for the processing and storage of information, it also serves as a communication technology for the dissemination or information. Computers as one component of information technology is a tool that can multiply the capabilities of humans and computers can also do something that humans may not be able to do so.

The high cost of human labor required in the processing of data processing manually create less effective if the terms of the volume and cost of processing. Manually processing has a cost that is stable at high rate. While using the machine, although a larger initial investment costs, but the development will be able to reduce processing costs while maintaining volume. While processing the data using a computer, will be able to continue to reduce costs at the lowest position compared to other processing methods. In conjunction with the accounting information system, the computer will increase the capabilities of

the system. When computers and components related to information technology integrated into an accounting information system, there is no common activity that increased or reduced. Accounting information system is still collecting, processing, and storing the data. Systems still include control over the accuracy of the data. The system also generates reports and other information. Only pengkomputerisasian accounting information systems often change the character of the activity. Data may be collected with special equipment. Accounting records using less paper. Most, if not all, tahapan-tahapan processing is done automatically. Output neater, in the form of a more varied, and more. Moreover, the output can be distributed to others who are connected through a LAN, which is more important than all of these changes is a n increase in terms of (Wilkinson et al., 2000: 76):

- 1) Processing of transactions and other data more quickly,
- 2) Accuracy of the calculation and comparison of the larger,
- 3) The cost of processing each transaction is lower,
- 4) Preparation of reports and other output is more timely,
- 5) The more compact data storage with higher accessibility when needed,
- 6) Options data entry and providing a wider Output/lot.
- 7) higher productivity for employees and managers who learn to use computers effectively in routine responsibilities and decision-making.

The development of information technology is not only used in business organizations but also in public sector organizations, including government. In the explanation of the Government Regulation No. 56 Year 2005 on the Financial Information System mentioned that to follow up the implementation of the development process in line with the principles of good governance, the Central Government and Local Government is obliged to develop and take advantage of advances in information technology to improve the ability to manage finance, and distribute financial information to the public service. The government needs to optimize the utilization of advances in information technology to build a network of management information systems and work processes that allow the government to work in an integrated manner by simplifying access between units. Wilkinson et al., (2000: 160) says the use of information technology include the presence of (a) the

data processing, information processing, management systems and work processes electronically and (b) the use of advanced information technologies so that public services can be accessed easily and cheaply by society.

Based on the description above, an indicator of the use of Information Technology Utilization of modified authors are:

- 1) Sub-department of finance/accounting have software applications to perform tasks such as Regional Financial Management Information System (SI MDA), information systems Regional Finance (MoF) and the Fiscal Management Information System (SIPKD).
- 2) The process of accounting since the beginning of the transaction to financial reporting is computerized.
- 3) Data processing financial transactions using the software in accordance with laws and regulations.
- 4) accounting and managerial reports generated from the integrated information system.
- 5) The regular equipment maintenance schedules.
- 6) The equipment worn/damaged recorded and immediately repaired in a timely manner.
- 7) There is a system of computer security (antivirus) which is updated regularly.

3. Theoretical Framework

Weak accounting system led to the financial statements produced is also less reliable and less relevant for decision making. Therefore, to be able to produce quality local financial statements required application an Pemerintah good. According to Government Regulation No. 24 of 2004 paragraph five of the Government Accounting Standards (SA P) are related to the relationship between the Government Accounting Standards and Quality of Local Government Finance Report that "the Government Accounting Standards are accounting principles applied in preparing and presenting the financial statements of the government". Thus, SAP is a requirement which has the force of law in an effort to improve the quality of financial reporting in the Indonesian government. From the foregoing description that SAP is the accounting principles applied in preparing and presenting the financial statements of the central and local governments. According to another opinion as Deddi

Nordiawan (2006) states that the Influence of Government Accounting Standards in the quality of local government financial reports that "SAP is applied in the scope of government, both central government and departments and local government departments and agencies, agencies. Implementation of SAP is believed to have an impact on improving the quality of financial reporting in the central and local governments. With the statement above theories can be concluded that the adoption of SAP is believed to have an impact on improving the quality of financial reporting in the central and local governments. Thus the government's financial information will be able to be the basis for decision making in government as well as transparency and accountability. Local Government Financial Statements as a responsibility of government policy requires human resource capacity sufficient in terms of number and skills (competence, experience, as well as adequate information), in addition to the development of organizational capacity. Research on the readiness of human resources accounting sub-section of local government in relation to the financial accountability of the area was made by Nazier (2009), which provides empirical findings that 76.77% of financial management unit within the central government and local governments be filled by employees who do not have educational background in accounting as required basic knowledge in financial management (Nazier, 2009). Moreover, from research conducted by Zetra (2009) found that it was still difficult for personnel in the area to submit financial statements of local government transparent and accountable manner, on time, and prepared following the Government Accounting Standards. This is mainly due to the lack of staff with expertise in implementing budget accountability, particularly expertise in accounting. In addition, an understanding of the information technology staff also still lacking. Yet to be able to the implementation of financial management in accordance with the legislation, must be supported by adequate information technology. If the human resources to implement the accounting system does not have the required quality, it will cause a bottleneck in the implementation of the accounting function, and eventually accounting information as a product or the accounting system, the quality becomes worse. The resulting information into information that has little or no value, such as reliability. Research conducted by Winidyaningrum and Rahmawati (2010) to obtain the result that the functions and accounting processes have been carried

out by employees who have knowledge in the field of accounting in order to help the reliability of financial reporting government. Internal controls include the organizational structure, methods, and coordinated measures to safeguard the wealth of the organization, check the accuracy and reliability of accounting data, drive efficiency, and compliance with policy leaders (Indriasari and Nahrutoyo, 2008).

Indriasari and Nahattoyo (2008) in his research on the value of the government's financial reporting information using a survey of the head and staff of the accounting department. This study to obtain results that have accounting internal control provide reasonable assurance regarding the achievement of the objectives or government financial reporting that reflected the reliability of financial reporting quality. Compliance theory provides an explanation of the effect or compliance behavior in the process of socialization. Individuals tend to obey the laws which they deem appropriate and consistent with their internal norms, in normative commitment through personal morality (normative commitment through morality) means obeying the law because the law is regarded as a necessity and normative commitment through legitimacy (normative commitment through legitimacy) means comply with the law as constituent authority has the tight to dictate behavior. Thus the existence of organizational commitment will maintain compliance in the financial statements in accordance with a reliable government Government Accounting Standards. Research Arita and Sharif (2009) who were investigating the successful implementation or Government Regulation No. 24 of 2005 on the government. This study obtain the result that high organizational commitment affect the successful implementation or Government Regulation No. 24 of 2005 so as to improve the quality of the reliability or the financial statements of local governments. The government needs to optimize the utilization of advances in information technology to build a network of management information systems and work processes that allow the government to work in an integrated manner by simplifying access between units. Utilization of information technology include the presence (a) data processing, information processing, management systems and work processes electronically and (b) the use of advances in information technology so that public services can be accessed easily and cheaply by people all over the country (I-lamzah, 2009). According Indriasari and Nahattoyo (2008), the development of information

technology is not only used in business organizations but also in public sector organizations, including government. Information technology shows that the processing of data by utilizing information technology (computers and networks) will provide many advantages both in terms of accuracy/precision of the results of operations and predicate as a multipurpose machine or multiprocessing. Use of information technology will also reduce errors that occur. Research conducted by Winidya ningrum and Rahmawati (2010) to obtain empirical evidence that the use of information technology significantly affect the reliability of financial reporting. Increasing the quality of the report does not automatically guarantee the Local Government Financial Statements will get WTPP Opinion, according to the BPK Regulation No. 01 of 2007 on the "Financial State Government Standards" explained that the BPK will do pemeriksaan the fairness of financial statements with the purpose to give an opinions by basing to (1) compliance with Government Accounting Standards (SAP), (2) the adequacy of disclosure (disclosure), (3) adherence/compliance with the legislation and (4) Effectiveness of Internal Control System (SPI). Thus for local governments who want an opinion on its financial statements to get a good value (Unqualified opinion), also should pay attention to the four (4) of the BPK examination focusing elements.

Several studies have been conducted by previous researchers on the factors that affect the quality of the government's financial statements as a whole, as well as the reliability and timeliness of financial reporting government by using several variables, such as:

- 1) Xu, et al. (2003) examined the key factors of the quality of accounting information in the Australian case study. Research results expressed human resources, systems, organizations, and external factors is a critical factor determining the quality of accounting information.
- 2) Choirunisah (2008) examined the factors that influence the quality of financial information produced by the accounting system at the study institution KPPNs Malang. Populations that serve as the respondents in the study Choirunisah (2008) amounted to 96 officers of civil servants in the Treasury Office of Malang. Based on the analysis concluded that the ability of human resources and organization team a significant effect on the quality of financial information unit of work.

- 3) Nugrabeni and Subaweh (2008) conducted a study on the effect of the implementation of SAP on the quality of the financial statements. In his research, Nugraheni and Subaweh (2008) uses the data quality of financial reporting, SAP implementation, knowledge managers and UAPPB UAPPA EI, availability of facilities and infrastructure, and stakeholder perceptions on the financial statements. The data used is primary data, which was collected by distributing a questionnaire containing 46 questions. Based on the analysis conducted concluded that there are significant implementation of SAP in the Inspectorate General of the Ministry of Education to increase the quality of the financial statements of the Inspectorate General of the Ministry of National Education. There are significant knowledge and UAPPB EI UA PPA managers and the availability of facilities and infrastructure to improving the quality of financial statements of the Inspectorate General of the Ministry of National Education.
- 4) Indriasari and Nahatty (2008) investigated the effect of human resource capacity, utilization of information technology, accounting and internal control of the value of local government financial reporting information (Studies in Palembang city and country government Oganllir). The population Indriasari and Nahart yo (2008) is part of the accounting / financial administration of the sectors in the city of Palembang and country government Oganllir. Sampling on respondents conducted by purposive sampling, and as many as 211 samples obtained for respondents to research. Based on the results of research conducted, it was concluded that the human resource capacity does not affect the value of the local government financial reporting information significantly, while the use of information technology and accounting internal control affect the value of the local government financial reporting information significantly. Indriasari and Nahartyo (2008) also states that the human resource capacity and utilization of information technology a significant effect on local government financial reporting timeliness.
- 5) The Arita and Sharif (2009) to test the successful implementation of Government Regulation No. 24 of 2005. For his research, Alita and Sharif distributing questionnaires as much as 145 copies of questionnaires to survey respondents. The results of the analysis carried find empirical evidence that organizational commitment

significantly influence the successful implementation of Government Regulation No. 24 of 2005, while the human resources and supporting devices do not significantly affect the successful implementation of Government Regulation No. 24 of 2005. Government Regulation No. 24 of 2005 describes the reliability and timeliness of financial reporting government. 6) Mustafa, et al (2010) conducted a study on the analysis of factors that affect the reliability and timeliness of financial reporting on the Local Government SKPDs Kendari. Mustafa, et al in a study to confirm the reliability and timeliness of financial reporting using three variables: Human Resource Capacity, Internal Control and Utilization of IT. The population Mustafa, et al (2010) is in the accounting / financial administration of the sectors in the city of Kendari. Sampling on respondents conducted by purposive sampling, and obtained a sample of 144 respondents to the study. Based on the analysis, Mustafa, et al found no effect on the human resource capacity of reliability, but the accounting internal control and utilization of information technology affects the reliability of financial reporting. The reliability of financial reporting does not affect the accuracy of financial reporting waktu, while the capacity and utilization of information technology affect the timeliness of financial reporting. HR capacity could be due to an effect on the reliability of the characteristics of human resources is in Kendari still have low capacity and level of education are still relatively low, especially in the field of accounting. The reliability of financial reporting did not affect the timeliness can be caused by an attempt to meet a criteria for reliable financial reporting presentation, various efforts both material and non-material, which resulted in the time needed to prepare a reliable financial reporting system will be longer. 7) Afrianti (2011) examined the Analysis of Factors Affecting the Value of Local Government Financial Reporting Information (Studies on regional work units in Batang). in research confirm the value of financial reporting information by using three (3) variables: information, quality of human resources, internal control systems, external factors. Afrianti collect data by distributing questionnaires to 110 respondents, which was distributed to respondents who are heads and finance department staff at the regional work units in Batang. The data obtained and analyzed using PLS (Partial Least

Square). The results show that the system of internal control has a significant effect on the reliability of financial reporting of local government, while the quality of human resources, the utilization of information technology, and financial oversight of the area has no effect. Besides, the quality of human resources and utilization of information technology have a significant effect on the accuracy of financial reporting of local governments, while the area of financial control has no effect.

8) O'Rourke (2011) conducted a study with the topic of study: Factors Affecting Reliability and Timeliness of Financial Reporting Public Service Agency (BLU Studies in Semarang). In his research, O'Rourke confirmed Reliability and Timeliness of Financial Reporting by using three variables: the use of information technology, accounting internal control, and organizational commitment. The data used is primary data obtained from questionnaires distributed directly to the respondents. Data collected from 102 respondents from the financial reporting staff BLU in Semarang. The hypothesis in this study was tested using multiple linear regression. Based on the analysis performed, O'Rourke found that the use of technology, accounting internal control, and organizational commitment significantly influence the reliability of financial reporting. While the quality of human resources has no significant effect on the reliability of financial reporting. Utilization of information technology and organizational commitment significantly influence the timeliness of financial reporting. While the quality of human resources and accounting internal control did not significantly influence the timeliness of financial reporting.

9) Sukmaningrum (2012) conducted a study with the topic of analysis of factors affecting the quality of local government financial reporting information (empirical studies on the District Government and Semarang). Sukmaningrum in research analyzed three factors suspected to affect the quality of local government financial statements, namely the quality of human resources, internal control systems, external factors. This study collected data by distributing questionnaires to 150 respondents, which were distributed to the respondents that the staff at the regional work units Finance and Asset Management Department of Semarang City and the Department of Revenue and Finance Management of Regional District of Semarang. The data obtained were analyzed

using SPSS series 17.00. The results of the analysis conducted concludes internal control systems have a significant effect on the quality of local government financial reporting information, while the competence of human resources has no effect. Competency of human resources is not significant due to the lack of human resources itself in terms of quality and quantity. External factors can not be used as a moderating the relationship between human resource competencies and internal control system of the quality of financial reporting information. External factors play a role as the independent variable and does not affect the quality of financial reporting information, this is due to the dynamics of change in the government sector is not accommodated by the readiness of human resources and not proactive towards public tekanan tekanan.

10) Winidyaningrum and Rahmawati (2012) conducted a study on the reliability and timeness of financial reporting in government in six districts in Central Java. For research Winidyaningrum and Rahmawati dislributing questionnaires to 186 respondents in the six District Government in Central Java. The results of analysis showed that the human resources significantly affect the reliability of financial reporting government. Human resources in subsection accounting/finance administration is sufficient both in terms of number and qualifications. Utilization of information technology significantly affect the reliability and timeliness of financial reporting government. While human resources are not significantly affect the timeliness of government financial reporting.

4. Study Model and Hypothesis

Based on the theoretical basis and formulation of research problems, have identified the existence of several independent variables (X) which is expected to either partially or simultaneously affect the quality of the financial statements (Y) that affect local governments to obtain Unqualified opinion (Z). The model in this study can be described in the following hypothesis:

HO: How big is the Effect of Simultaneous Applied Government Accounting Standards, Quality Human Resources, Internal Control Systems, Organizational Commitment and Utilization Effect of Information Technology on the Quality of Local Government Finance Report

- H1 : How big is the Governmental Accounting Standards Application Effect on the Quality of Local Government Finance Report
- H2 : How big is the Quality of Human Resources Influence on the Quality of Local Government Finance Report. H3: How big is the Effect of Implementation of Internal Control System on the Quality of Local Government Finance Report
- H4 : How big is the Influence of Organizational Commitment on the Quality of Local Government Finance Report
- J-15 : How big is the Effect of Utilization of Information Technology on the Quality of Local Government Finance Report
- H6 : How big is the Effect of Quality of Local Government Finance Report on Acquisition of Unqualified Opinion.

Source of data in this study are all things that can provide information about the data. Based on the source, the data can be divided into two, namely the primary data and secondary data.

- 1) Primary data is data that is created by the researcher for a specific purpose to solve the problems that are being handled. Data were collected directly from the source itself or where the object of research is done.
- 2) Secondary data is data that has been collected for purposes other than solve the problem at hand. This data can be found quickly. In this study, the secondary data source is literature, articles, journals and websites on the internet with regard to the research conducted. In addition to the primary data, researchers used data source is a source of secondary data, secondary data obtained through various sources, namely literature articles, as well as sites on the internet with regard to the research conducted.

Data collection methods used in this study in two ways, namely Research Field (Field Research) and the study of literature (Library Research). Primary and secondary data collection is done by:

- 1) Field Research
 - (1) Interview (Interview), which is a technique of collecting data obtained by a question and answer directly to the relevant parties directly and competent with the problems that the authors carefully.
 - (2) Questionnaire, the questionnaire technique I use is enclosed questionnaire, a way of collecting data by delivering

or distributing a list of questions to respondents and respondents in this study are the authors of the report on local government finances in the Provincial, District and City Java west (survey on Local government in the Territory government Coordination and Development region IV west Java Province), in the hope they can provide a response to the questionnaire.

- (3) Documentation, data collection is done by examining the documents contained in the CPC LHP Fiscal Year 2012 at the Provincial, District and City of West Java Province Start of literature and books available.

5. Methodology, Finding and Discussion

The completion of this study using quantitative analysis techniques. Data were measured in the form of numbers using a 5-point Likert scale (5-point Likert scale).

The analysis method used in this research is the analysis of the path (path analysis). This path analysis technique is used to describe and test the model in the form of the relationship between cause and effect variables (Sugiyono, 2010: 59).

6. Conclusion

From the results of the research conclusions in the environmental area pemerintahan Government Coordination and Development Agency Region IV West Java Province can be concluded as follows:

- 1) The results simultaneously showed Application Government Accounting Standards (SAP) (X1), Quality of Human Resources (HR) (X2), Implementation of Internal Control System (SPI) (X3), Organizational Commitment (X4) and Utilization of Information Technology (XS) has a positive influence on the quality of local government financial reports by 68.4%.

Variables Applied Government Accounting Standards (SAP) (X1) and Organizational Commitment (X4) has a positive and significant effect on the quality of financial reporting. While the quality of Human Resources (HR) (X2), Implementati on of Internal Control System (SPI) (X3) and Utilization of Information Technology (XS) has a positive effect but not significant to the quality of local government financial reports.

- 2) The results partially on SAP Applicalion variable (X1) will be a significant influence on the quality of the financial statements

so that it can be said that if the SAP application implemented by the governments of both the quality of the financial statements produced will also be good.

- 3) The results partially on the Quality variable does not significantly affect the quality of Local Government Finance Report. Insignificant due to the condition of human resources in the sub-section of the accounting/financial administration are inadequate, both in terms of number and qualifications. In terms of quantity, the unit there are only a few employees accounting. In terms of qualifications, the majority of human resource accounting/financial administration does not have the educational background of accounting.
- 4) The results partially on Internal Control System Implementation variable (SPI) did not significantly affect the quality of Local Government Finance Report. This is due to not achieving the improvement of the internal control system, namely the reliability of reporting. The purpose of internal control is effective for financial statements meet the responsibilities in reporting and the preparation of financial statements of local governments
- 5) The results partially on organizational commitment variables affect the quality of Local Government Finance Report. The results of this study support the idea COSO (2009), if the performance of leaders and subordinates in an organization goes well, then all components will converge (built-in) and interlaced (permeated) in the management process. COSO recognizes a "tone on the top", therefore the leadership of the organization remains stressed to take a very important role in leading the organization to achieve the goal.
- 6) The results partially on the variable use of information technology does not affect the quality of Local Government Finance Report. Not be affected from the use of information technology due to technology or information that is not yet used optimally. Implementation of information technology requires no small cost and expensive. In addition, many human resources that local governments do not master information technology.

- 7) The results of variable quality of local government financial reports mention there is a significant and positive effect on Unqualified opinion. The better presentation of the financial statements of the local government, the greater the local governments to obtain an opinion from the BPK.

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REGIONAL PERFORMANCE ALLOWANCES INSTRUMENT IMPROVING PERFORMANCE OF GOVERNMENT EMPLOYEES

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**Regional Performance Allowances Instrument
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Abstract

Performance improvement of Government Employees (PNS) is inseparable from the motivational impulse. TUKIN amount is based on: the level of achievement of the implementation of agency bureaucracy reform, value and class of office, price index of position value, balancing factor, and index of provincial performance allowances, and to spur productivity and ensure the welfare of government employees using principles: 1) efficiency / optimization of the budget ceiling of Ministries / Institutions and Regional Governments; 2) equal pay for equal work, giving the amount of performance allowances in accordance with the position price and performance achievement. The legal basis for this TUKIN regulation is PP No. 58 of 2005 article 63 paragraph (2) and its explanation, Permendagri Number 13 of 2006 concerning Guidelines for Regional Financial Management was amended by Permendagri Number 21 of 2011, article 39 paragraph (1), Regulation of the Head of State Employment Agency (BKN) Number 20 of 2011 concerning Guidelines for the Calculation Allowances of government employees Performance and Minister of Administrative Reform and Bureaucratic Reform (Permen PAN RB) Number 63 of 2011 guidelines for government employees TUKIN System Arrangement, from observations, especially in the Garut Regency Government, it appears that the performance of Garut Regency government employees has increased. This can be proven by the acquisition of BB values in the SAKIP assessment in 2018 which rose significantly from the year of Garut Regency still in CC.

Keywords: Performance Allowance, Employee Performance, government employees, Instruments, Motivational Encouragement

Introduction

Performance allowance is a term that tends to be new among government employees, while the term that is common and often used by most government employees is remuneration. The term remuneration is always associated with increased performance and productivity so that it becomes an element of motivation for employees to excel. In the Big Indonesian Dictionary (2000: 946) the word remuneration can be interpreted as giving gifts (awards for services etc.); reward. So that remuneration is defined as something that is received by employees in return for services or remuneration provided by the organization to employees because it has contributed energy and thoughts to the progress of the organization in order to achieve its intended goals.

The study of which is appropriate for even the Performance Allowance (TUKIN) nomenclature or Additional Employee Income (TPP) is a problem in itself. Article 63 paragraph (2) PP No. 58 of 2005 gives phrases to *additional income to government employees*. Similarly in article 39 paragraph (1) Minister of Home Affairs Regulation (*Peraturan Menteri dalam Negeri Permendagri*) Number 13 of 2006 concerning Guidelines for Regional Financial Management was last amended by Minister of Home Affairs Regulation Number 21 of 2011, giving the same phrase to additional income to government employees. Likewise in Appendix A.VIII.a Permendagri Number 13 of 2006 concerning Guidelines for Regional Financial Management was last amended by Permendagri Number 21 of 2011, then the regional expenditure account code (indirect expenditure/personnel expenditure) gave an *additional nomenclature* of government employees income.

While other arrangements provide the Performance Allowance nomenclature as stated in the Regulation of the Head of the State Employment Agency Number 20 of 2011 concerning Guidelines for Calculation of government employees Performance Allowances and in the Appendix to the Regulation of the Head of the State Employment Agency Number 20 of 2011, it states that "Performance Allowances are benefits given to government employees whose amount is based on the results of job evaluation and achievements of civil servants' work performance. This is in line with the Regulation of the Minister of Administrative Reform and Bureaucratic Reform (*MenpanRB*) Number 63 of 2011 on the Guidelines for Structuring the

Government Employees Performance Allowance System. In the terms of understanding, it is explained that performance allowances are benefits provided to government employees which are a function of the successful implementation of bureaucratic reform and are based on the achievement of the performance of government employees in line with the achievement of organizational performance where the government employees work. Therefore, the performance allowance of individual government employees can increase or decrease in line with the increase or decrease in performance measured by the Main Performance Indicators of Agencies.

The author himself follows the Performance Allowance nomenclature as directed by State Employment Agency (*BKN*) and Ministry of Administrative and Bureaucratic Reform (*Kemenpan RB*). Performance or remuneration allowances can provide additional income to each employee, so that employees concentrate more on work. So far, civil servants have only received remuneration in the form of pay for person and pay for position, therefore the Ministry of Finance has begun bureaucratic reform, one of which is to change the remuneration system from personal and position to remuneration based on grading (class position), bureaucratic reform is necessary and will be carried out in stages for all levels of government employees, initiated by the Ministry of Finance, by changing the remuneration system. Employee income in addition to salary based on class, is also given additional income as a counter-achievement of current performance. The additions are calculated from education and knowledge, experience required, complexity (complexity) of work, scope of work, type and nature of problems to be solved, supervision received, responsibility for supervision / supervision of others, the impact of decisions / consequences of mistakes, work relations that must be done and working environment conditions. This shows that the remuneration of government employees is a matter that can provide solutions for improving employee performance.

The remuneration of government employees is an integral part of the Bureaucratic Reform Policy. Against the background of the awareness and commitment of the government to realize clean and good governance. In the framework of realizing clean and authoritative governance it is impossible to be carried out properly (effectively) without the proper welfare of employees. The changes and updates were carried out to erase the impression that the government that had been considered

bad, which among others was marked by indicators: poor quality of public services (slow, no rule / legal certainty, complicated, arrogant, asking to be served or feudal style); full of *KKN* behavior (Corruption, Collusion, Nepotism); the low quality of the discipline and work ethic of the state apparatus; quality of management that is unproductive, ineffective and inefficient; and the quality of public services that are not accountable and not transparent.

Remuneration means total compensation received by every government employees (PNS), According to Pormadi (2008), remuneration can be in the form of salary, honorarium, fixed allowances, incentives, bonuses or achievements, severance pay and / or retirement. With remuneration, a fair and decent employee payroll system is expected. The base salary is based on the \Neight of the position. Payroll for civil servants is also based on the pattern of balance of composition between basic salary and allowances and the balance of the lowest and highest salary scale. Also with remuneration, improving employee welfare is associated with individual performance and organizational performance.

Government employees are expected to commit to carrying out their work in accordance with their main duties and functions because the remuneration benefits received are sufficient and in accordance with the workload. So that civil servants are no longer looking for side jobs outside office hours on the grounds that the salary received is not sufficient for the living needs in question. Remuneration will only be effective if it is implemented in conjunction with the implementation of performance-oriented personnel management, so that there is clarity about what is the duty and responsibility of each employee, as well as the size / target of performance that must be achieved, thus each employee understands that to getting certain rewards must also achieve certain performance. In addition, the effectiveness of remuneration needs to be done mentally mentoring civil servants who sometimes do not carry out their duties and obligations properly, and prepare sanctions for civil servants who are proven to do so.

Research Approach

The approach method in the study of Regional Performance Allowances uses descriptive analytical methods, namely methods that describe and analyze data, facts, and information as well as the provisions contained in various laws and regulations related to the regulation of performance benefits. The data used in the form of primary data and secondary data from the results of data collection carried out through library studies, public consultations / invite experts, and field research.

Literature study as one of the approaches in collecting materials, data and information related to the regulation of performance allowance. Literature study material in the form of studies and review of books, magazines, newspapers, websites, and other data about legislation, state documents, research results, seminar papers, media news, and other data

related to the regulation of performance benefits. Collection and field research carried out by gathering opinions and perceptions from various relevant agencies, as well as practitioners related to the regulation of performance allowance.

Literature Review Performance Allowance

Performance Allowance or Remuneration is any reward, either in the form of extrinsic rewards or intrinsic rewards, which are given to employees in return for what they do, so logically creates high motivation for employees to produce productive performance in order to achieve organizational goals (Dessler in Dharma, 1986: 30; Large Dictionary of Indonesian Language,

2000: 946; Appendix of Regulation of the Head of State Civil Service Agency Number 20 of 2011). Handoko (1987: 156-157) suggested that the purpose of compensation included the following:

1. Obtain quality employees;
2. Maintain existing employees;
3. Ensure justice;
4. Respect the desired behavior;
5. Controlling costs;
6. Meet legal regulations.

According to (Handoko, 1987: 158) giving compensation to employees depends on government policies and regulations as well as the place of work. Compensation is not easy, many obstacles will affect the policy, including the following:

1. Supply and demand for labor, some types of work may have to be paid higher than those indicated by their relative value due to conditions of market pressure;
2. Employee union. Weak employee unions are very influential in using force in determining compensation levels;
3. Productivity. This factor prioritizes profit to make a company survive and can pay its wages, and this factor does not apply to government organizations;
4. Willingness to pay large compensation. In this factor, it is closely related to the quality of employees both in terms of education and experience;
5. Ability to pay. The ability to pay compensation is very dependent on the profits obtained by the company, while the government is highly dependent on the allocation of government funds;
6. Various wage and payroll policies. For government institutions, this factor is largely determined by government policies in implementing compensation systems for employees. According to Thoha (2010: 38) remuneration is associated with restructuring the employee payroll system based on performance appraisal, with the aim of creating a good and clean governance system. While the opinion of Hasibuan (2012: 118) remuneration is all income in the form of money, goods directly or indirectly received by employees in return for services provided to companies. Providing remuneration to employees is intended so that the employee can focus his attention, mind, and energy, only to carry out the tasks entrusted to him. and salaries intended to guarantee full basic needs and can encourage employee productivity and creativity. According to Saputra (2014) performance allowance is income provided to employees based on attendance and work performance in the form of money other than basic salary, position allowance, and other nationally applicable allowances determined by the government.

Performance

Organizational performance is a achievement or work results in activities or programs that have been planned in advance in order to achieve the goals and objectives set by an organization and carried out in a certain period of time (Keban, 2004: 191; Prawirosentono, 1999: 2; Bastian, 2001: 329; Siagian, 2007: 137; Simanjuntak, 2005: 1; Mangkunegara, 2005: 9).

Factors Affecting Performance

In achieving the performance of an organization, there are several factors that can influence it. Yeremias T. Keban stated that to conduct a more in-depth study of the factors that influence the effectiveness of performance assessments in Indonesia, it is necessary to look at several important factors as follows:

1. Clarity of legal or regulatory requirements to make judgments correctly and appropriately. In reality, people judge subjectively and are full of bias but there is no legal rule that regulates or corrects these actions.
2. Applicable human resource management has functions and processes that determine the effectiveness of performance appraisal. The rules of the game concern who should judge, when to judge, what criteria are used in the performance appraisal system is actually regulated in human resource management. Thus human resource management is also the main key to the success of the performance appraisal system.
3. Conformity between the paradigms adopted by the management of an organization with the aim of evaluating performance. If the paradigm adopted is still oriented to classical management, then the assessment is always biased towards measuring the behavior or character of the party being assessed, so that achievement that should be the main focus is less attention.
4. Commitment of leaders or managers of public organizations to the importance of evaluating a performance. If they always give a high commitment to the effectiveness of performance appraisal, then the assessors who are under their authority will always try to do the assessment correctly and exactly. "(Keban, 2004: 203)

In the opinion of Soesilo in HesseiNogi S. Tangkilisan, states that organizational performance is influenced by the following factors:

1. Organizational structure as an internal relationship related to functions that carry out organizational activities;
2. Management policies, in the form of the organization's vision and mission;
3. Human resources, which relate to the quality of employees to work and work optimally;
4. Management information systems, which are related to database management for use in enhancing organizational performance.
5. Facilities and infrastructure owned, which relate to the use of technology for organizing the organization in every organizational activity. (Tangkilisan, 2005: 180)

Atmosoeprapto in HesseiNogi S. Tangkilisan stated that organizational performance is influenced by both internal factors and external factors. In detail the two factors are described as follows:

1. External factors, which consist of:
 - a) Political factors, namely matters relating to the balance of State power that affect security and order, which will affect the peace of the organization to work optimally.
 - b) Economic factors, namely the level of economic development that influences the level of income of the community as purchasing power to move other sectors as a larger economic system.
 - c) Social factors, namely value orientation that develops in the community, which influences their views on the work ethic needed for improving organizational performance.
2. Internal factors, which consist of:
 - a) Organizational goals, namely what you want to achieve and what an organization wants to produce.
 - b) Organizational structure, as a result of design between functions to be carried out by organizational units with existing formal structures.
 - c) Human resources, namely the quality and management of organizational members as a driving force for the organization as a whole.

- d) Organizational Culture, namely the style and identity of an organization in a standard work pattern and become the image of the organization concerned. (Tangkilian, 2005: 181)

It can be said that the level of organizational performance is influenced by many factors, both internal and external factors. Each organization will have different levels of performance, according to the characteristics that are built, as well as the problems faced tend to be different depending on the internal and external factors of the organization. From the description above, it can be understood that a person's performance in an organization is the result of the interaction of various variables namely individual and social environment. Robert L. Mathis and John H. Jackson (2001: 82) propose factors that influence individual workforce performance, namely:

1. Their abilities
2. Motivation
3. Support received
4. The existence of the work they do
5. Their relationship with the organization.

Performance assessment

To find out the results of work achieved and that has been done by each government employees in carrying out the main tasks and functions, a guideline is needed as a measure of success carried out by these civil servants. For this reason, Handoko (1987: 135), explains that "performance appraisal is a process through which organizations evaluate or assess employee performance". While Siagian, (1989: 114) argues that what is meant by performance assessment is "the process of measurement and comparison of the results of real work achieved with the results that should be achieved". Soeprihanto (2009: 24), suggests several aspects that need to be considered in evaluating employee performance, namely: "work performance; responsibility, obedience, initiative, honesty; and cooperation".

The assessment of the performance of Civil Servants according to Government Regulation Number 46 of 2011 is a work performance assessment that combines the assessment of the employee's work goals with the assessment of employee behavior. Employee Work Target (*Sasaran Kerja Pegawai ISKP*) is the annual work plan of employees

which is prepared at the beginning of each year and evaluated at the end of each year. SKP assessment consists of several aspects, namely: 1) Quality; 2) Quantity; 3) Time; 4) Costs. While the assessment of employee work behavior as stated in article 12 paragraph (1) Government Regulation Number 46 of 2011, namely: 1) Service orientation; 2) Integrity; 3) Commitment; 4) Discipline; 5) Cooperation; 6) Leadership.

In order to ensure the sustainability of the organization in achieving its objectives, the assessment of performance becomes something very important, so it is necessary to have an indicator of measuring organizational performance appropriately to find out the results of work achieved and what has been done by each government employee in carrying out their main

tasks and functions. In this regard Agus Dwiyanto stated that "The assessment of the performance of public bureaucracy is not enough to use indicators that are attached to the bureaucracy, such as efficiency and effectiveness, but also must be seen from the indicators attached to service users, such as service user satisfaction, accountability and responsiveness". (Dwiyanto, 2006: 49)

Performance Indicators

McDonald and Lawton in Ratminto and Atik Septi Winarsih suggested that performance indicators are: output oriented measures throughput, efficiency, effectiveness. The indicators referred to hereinafter are explained as follows:

1. Efficiency is a condition that shows the achievement of the best comparison between inputs and outputs in the delivery of public services.
2. Effectiveness is the achievement of predetermined goals, both in the form of targets, long-term goals and organizational missions. (Ratminto and Atik Septi Winarsih, 2005: 174)

In the opinion of Salim and Woodward in Ratminto and Atik Septi Winarsih, performance indicators include: economy, efficiency, effectiveness, equity. The description of the indicator is as follows:

1. Economy or economics is the use of as little resources as possible in the process of organizing public services.

2. Efficiency is a condition that shows the achievement of the best comparison between inputs and outputs in the delivery of public services.
3. Effectiveness is the achievement of predetermined goals, both in the form of targets, long-term goals and organizational mission.
4. Equity or justice is a public service that is held by taking into account aspects of equality (Ratminto and Atik Septi Winarsih, 2005: 174)

Kumorotomo in Agus Dwiyanto stated that to assess organizational performance, several criteria can be used as guidelines for evaluating the performance of public service organizations. The criteria are as follows:

1. Efficiency

Efficiency involves consideration of the success of public service organizations to make a profit, utilizing the factors of production and considerations derived from economic rationality. If applied objectively, criteria such as liquidity, solvency, and profitability are very relevant efficiency criteria.

2. Effectiveness

Is the purpose of the establishment of a public service organization achieved? This is closely related to technical rationality, values, mission, organizational goals, and the functions of development agents.

3. Justice

Justice questions the distribution and allocation of services organized by public service organizations. This criterion is closely related to the concept of adequacy or appropriateness. Both question whether the level of effectiveness, needs and values in society can be fulfilled. Issues that involve equitable development, services to peripheral groups and so on, will be able to be answered through these criteria.

4. Response

In contrast to businesses carried out by private companies, public service organizations are part of the responsiveness of the state or government to the vital needs of society. Therefore, the criteria of the organization as a whole must be accountable transparently in order to meet the criteria for this responsiveness. (Dwiyanto, 2006: 52)

Agus Dwiyanto in his book *Public Bureaucracy Reform in Indonesia*, states that good performance measurement can be measured in the following ways:

1. Productivity

The concept of productivity not only measures the level of efficiency, but also the effectiveness of the service. Productivity is generally understood as the ratio between input and output. The concept of productivity is considered too narrow and then the General Accounting Office (GAO) tries to develop a broader measure of productivity by including how much public service has the expected results as one of the important performance indicators.

2. Quality of Service

The issue of service quality tends to be increasingly important in explaining the performance of public service organizations. Many negative views formed regarding public organizations arise because of public dissatisfaction with the quality of services received from public organizations.

3. Responsiveness

Responsiveness is the ability of an organization to recognize the needs of the community, set the agenda and priority of services, develop public service programs in accordance with the needs and aspirations of the community. Briefly responsiveness here refers to the harmony between programs and service activities with the needs and aspirations of the community. Responsiveness is included as one of the performance indicators because responsiveness directly describes the ability of public organizations to carry out their mission and objectives, especially to meet the needs of the community. Low responsiveness is indicated by the inconsistency between service and community needs. This clearly shows organizational failure in realizing the mission and objectives of public organizations. Organizations that have low responsiveness by themselves have poor performance.

4. Responsibility

Responsibility explains whether the implementation of public organization activities is carried out in accordance with administrative principles that are correct or in accordance with organizational policies, both explicit and implicit. Therefore, responsibility can at one time clash with responsiveness.

5. Accountability

Public accountability refers to the extent to which policies and activities of public organizations are subject to public officials chosen by the people. The assumption is that political officials, because they are elected by the people, will automatically represent the interests of the people themselves. In this context, the basic concepts of public accountability can be used to see how much public organization policies and activities are consistent with the wishes of many people. The performance of public organizations can not only be seen from internal measures developed by public or government organizations, such as achieving targets. Performance should be assessed from an external measure, such as the values and norms that apply in society. An activity of a public organization has high accountability if the activity is considered right and in accordance with the values and norms that develop in society (Dwiyanto, 2006: 50)

Results and Discussion

Study of the principle/principle of regional performance benefits

Incentives for government employees are a means of motivating in the form of material, which is given as a stimulus or an impetus to the government employees in order to grow a great enthusiasm to increase work productivity in carrying out basic tasks and functions. Theories that support the importance of incentives are presented by Cascio (1995: 377)", and incentive are variable rewards, grand to individuals on groups, that recognize differences in achieving results. "They are designed to stimulate or motivate greater employee effort on productivity." Based on these definitions, incentives can be interpreted as follows: incentives are reward variables given to individuals in a group, which are known based on differences in achieving work results. This is designed to provide stimuli or motivate employees to try to improve their work productivity.

Harsono (2004: 21) argues, incentives are any compensation system where the amount given depends on the results achieved, which means offering something incentives to workers to achieve better results.

From the statements above, it can be concluded that the notion of incentives is a tool to encourage employees to further increase work productivity to achieve the stated company goals.

Referring to some of the opinions above, in the application of performance allowances, it is necessary to pay attention to several principles and basic principles. The principle as intended is 1) Principle of Justice; and 2) Balanced Principle. The basic principles in the application of performance allowances, as follows 1) Allowances Provided Worthy and Fair; 2) Improving the Quality of Civil Servants; 3) In accordance with Regional Financial Capabilities; and 4) Minimizing Gaps. According to Minister of Home Affairs Regulation Number 13 of 2006, the Government of the Regional Government can provide additional income to employees with the following considerations:

1. given in order to improve welfare.
2. given to civil servants who are burdened with jobs to complete tasks that are considered to exceed normal workloads.
3. given to civil servants who in carrying out their duties are in areas that have a high degree of difficulty and remote areas.
4. given to civil servants who in carrying out their duties are in a high-risk work environment.
5. given to civil servants who in carrying out their duties have special and rare skills.
6. given to civil servants who in carrying out their duties are considered to have work performance.

Formulation of Amount of Regional Performance Allowance

Determination and provision of Regional Performance Allowances (*Tunjangan Kinerja Daerah/TKD*) is based on workload and progressiveness of employee and agency performance achievements, not calculated flat with only based on group stratification and position. *TKO* calculations consider aspects of performance as the main consideration. Basically the mechanism for calculating the performance of civil servants' benefits has been stated in the Regulation of the Head of the State Employment Agency Number 20 of 2011 concerning Guidelines for Calculating Civil Servants' Performance Benefits.

Based on Minister of Administrative Reform and Bureaucratic Reform (*Peraturan Menteri Pendayagunaan Aparatur Negara dan*

Reformasi Birokrasi) Number 63 of 2011, the calculation of the amount of performance allowances is based on several components as follows: 1) Level of achievement of implementation of agency bureaucratic reforms; 2) Values and Position Classes; 3) Average Position Value; 4) Position Value Price Index; 5) Balancing Factors; 6) Provincial Regional Performance Allowance Index.

Regarding the implementation of remuneration, performance allowances are given based on 3 (three) components. First, performance targets are calculated according to the categories of employee performance achievement scores (*SKP and Work Behavior*); second, attendance according to the provisions of working days and hours, as well as leave taken by employees; and third, compliance with the code of ethics and discipline of civil servants.

According to Tri Haryanto (2015), stated that "Giving job grading-based performance allowances is actually unusual, aspects that are valued not performance but position weight in terms of roles, responsibilities and risks of a position". So that the new "Person" and "Position" elements are fulfilled, while the "Performance" element still needs consideration. To fulfill the elements of performance (Performance), McCloy, Campbell, and Cuedeck, in Milkovich and Newman (2002), states the fact that employee performance depends on three main factors, namely skill, knowledge, and motivation. These factors are then formulated with:

$$\text{Employee Performance} = f(S, K, M)$$

Description:

S (Skill): Ability to do assignments;

K (Knowledge): Knowledge of activities, rules, principles, and procedures; M (Motivation): Motivation to work.

In Government Regulation Number 46 of 2011, it is explained that to obtain objectivity in work performance assessment, the evaluation parameters are in the form of tangible and measurable work results which are a description of the organization's vision, mission, and objectives so that the subjectivity of the evaluation can be minimized. Thus, only outstanding government employees achieve good grades.

Appraisal officials (direct supervisors) are required to conduct work performance assessments of each civil servant in the work unit, if they do not carry out the work performance assessment as intended, then the appraisal officer will be disciplined according to the laws and regulations.

Functional appraisal officials not only provide the legality of the assessment results of the appraisal officials, but rather function as motivators and evaluators how effective the appraisal officials conduct assessments, to compensate for the assessment and perceptions of appraisal officials in an effort to eliminate assessment biases. An open civil service performance appraisal system is expected to increase motivation and work productivity and create an interaction relationship between appraisal officials and civil servants who are assessed in terms of the objectivity of the assessment and to get job satisfaction for each civil servant.

Therefore, in the effort to fulfill and consider Pay for Performance in providing Regional Performance Allowances (*Tunjangan Kinerja Daerah fTKD*), the performance of an employee will be influenced by:

1. Skill: ability in carrying out assignments.
2. Knowledge: knowledge of activities, rules, principles, and procedures at work.
3. Motivation: motivation/enthusiasm for performance.

The Position Competency Standard (*Standar Kompetensi Jabatan/ SKJ*) is a parameter of the skill and motivation that must be possessed by every employee in the context of carrying out professional duties, free from political intervention, clean from the practices of corruption, collusion and nepotism, and able to provide public services to the community able to play a role as an adhesive to the unity and unity of the nation based on the ancillary and the 1945

Constitution. As for the parameters of knowledge, it is determined by knowledge of rules and principles in carrying out office tasks and understanding of activities and procedures in carrying out tasks of responsibility.

Based on the above explanation, the fulfillment and consideration of Pay for Performance in the determination and granting of *TKD* is determined by Employee Performance, so that an employee's performance index will be influenced by personal performance on the

implementation of job duties and the performance of his subordinates. achievement in carrying out the duties of *responsibility*(*tugastanggun gjawab ITT*)).

For certain tasks and positions, which are related to increasing income and managing budgets, independence in carrying out tasks, and the nature of job assignments, the performance index is influenced by the element of motivation. The IIVOrk motivation process consists of three important elements, namely needs, encouragement (drives) and stimuli (incentives) (Luthans, 1992: 147) which can be explained as follows: 1) Need is the pressure caused by the lack of causing someone behave to achieve goals. These deficiencies can be psychological, physiological, or social; 2) Encouragement is a condition that causes a person to be active in carrying out an action or behavior in order to achieve a need for purpose; 3) Stimulation (incentives) is something that has a tendency to stimulate someone's interest to work towards goals; 4) Referring to the three motivational elements above, then the motivation value is supported by needs (30%), encouragement (30%), and stimulation (40%). So the amount of motivation value can be explained from 0,1 to 1,0.

Based on the explanation referred to, in general the formulation of the employee performance index can be described as follows:

$$IK = TJ + \sum (TTj) + M$$

Description :

IK = Performance Index

J = Job Position/Personal Performance (in accordance with the main tasks and functions position)

TTj = Subordinate Responsibility / Performance Task (subordinate main tasks and functions)

M = Motivation

Where:

TJ = 1

$\sum (TTj)$ = number of subordinate positions

M = motivation value from 0.1 - 1.0

So that in other equations, the formulation of employee performance index becomes:

$$IK = 1 + n + M$$

In connection with the exposure and several opinions above, the composition of the provision of Regional Performance Allowances (*Tunjangan Kinerja Daerah /TKO*) for civil servants in the Government of Garut Regency is based on several things as follows:

- Job Grade
- Price Position Value Index (IHNJ)
- Rupiah Index (IBrp)
- Performance Index (IK)

a. Determination of Position Class

In establishing a Job Class, an office is assessed through a job evaluation process. Job Evaluation is a process for assessing a position systematically by using criteria referred to as job factors for position factor information to determine the Position Class.

Assessment of a position through the position evaluation process as intended, Factor Evaluation System (FES) is used or an evaluation system based on position factors with the following assessment criteria:

1. For Assessment of Structural Position

In conducting structural office assessments, factors and job evaluation criteria are used based on 6 (six) position factors as follows:

- a) program scope and impact;
- b) organizational arrangements;
- c) supervisory and managerial authority;
- d) personal relationships, which are divided into 2 (two) sub factors, namely the nature of the relationship and the purpose of the relationship;
- e) difficulties in directing work;
- f) other conditions.

2. For the Assessment of Functional Positions.

As for evaluating functional positions 9 (nine) office factors are used, as follows:

- a) knowledge needed by the office;
- b) supervision and supervision of supervisors;

- c) work guidelines;
- d) the complexity of the task;
- e) scope and impact space;
- f) personal relationships;
- g) the purpose of the relationship;
- h) physical requirements;
- i) work environment.

Based on these factors, 15 (fifteen) levels of office are determined, with different and tiered position values, namely the lowest position value set at 340, and the highest position value set at 3570 as stated in the table below.

Table 1. Classes and Position Values in Government Institutions

No.	Position Value	Position Class
1	3570	15
2	2840	14
3	2605	13
4	2305	12
5	2045	11
6		10
7	1885	9
8	1295	8
9	1005	7
10	790	6
11	580	5
12		4
13	340	3

b. Price Index Position value (Indeks Harga Nilai Jabatan/IHNJ)

Price Index Position value (IHNJ) is the rupiah value given for each position value (average value). IHNJ is obtained from the distribution of Provincial Regional Minimum Wages (*Upah Minimum Regional Provinsi/UMRP*) with the Lowest Average Position Value.

UMRP of Garut Regency in 2017 amounted to Rp. 1,538,900.00, while the lowest Position Class is grade 3 with an average value of 340 points. Then: $IHNJ = UMRP / \text{Lowest Grade Average Value}$

- = Rp. 1.538.900,00 1340
- = Rp. 4526,18
- = Rp. 4500

c. Rupiah Amount Index (Indeks Besaran Rupiah/IBRp)

The Index of Rupiah Amount (*Indeks Besaran Rupiah/Brp*) is a percentage of the amount of rupiah for each position value that is entitled to be received by each PNS. Determination of the Rupiah Amount Index (*Indeks Besaran Rupiah 1/Drp*) is obtained from the comparison between the availability of the budget and the budgetary needs.

In order to pay for Regional Performance Allowances (*Tunjangan Kinerja Daerah /TKO*) in the Government of Garut Regency, the total budget needed is Rp. 606.086.956.520,00. The availability of the budget for payment of TKO in the 2018 Budget Year is Rp.139.400.000.000,00.

$$\text{Then IBRp} = \frac{139.400.000.000}{606.086.956.520} = 23\%$$

d. Performance Index (Indeks Kinerja/IK)

The performance index is the overall achievement of an employee's work performance for the implementation of his / her duties and the implementation of other office tasks which are his responsibility. So that in the determination of the performance index is determined by the sum of the positions of an employee with the number of levels of position below.

The performance index of the Head of the SKPD, is the sum of the positions of the Head of the SKPD (Echelon II) plus the positions that are below it, namely the Secretary, the Head of the Division, the Head of the Subdivision / Section Head, and the Implementer.

$$\begin{aligned} \text{So: Head of SKSKPD} \\ &= 1 + 4 + 0 \\ &= 5 \end{aligned}$$

For the Secretary's performance index, is the addition of the Secretary's position plus the position below it, namely the Head of Division, Head of Subdivision, and Executor.

$$\begin{aligned} \text{Then: IK Secretary} \\ &= 1 + 3 + 0 \\ &= 4 \end{aligned}$$

The Head of Sector's performance index, is the addition of the position of Head of the Sector, plus the position below, namely the Head of Sub-Section / Section Head, and the Executor.

$$\begin{aligned} \text{Then: IK Head of Field} \\ &= 1 + 2 + 0 \\ &= 3 \end{aligned}$$

The performance index of the Head of Sub-Sector, Section Head, Head of Subdivision is the sum of the positions of Head of Sub-Section, Section Head, Subdivision Head plus positions below, namely Executor.

$$\begin{aligned} \text{Then: IK Kasubbid / Head of Section / Head of Subdivision} \\ &= 1 + 1 + 0 \\ &= 5 \end{aligned}$$

e. Amount of Regional Performance Allowance (TKO) for each Position Class

By applying the formulation as described above, the TKO magnitude for each position class can be obtained, as shown in the following table:

Table 2. The amount of TKO for each position class

No	Position Name	Position Class	Position Value	IHNJ	IBRP	IK	The amount of TKD
1	Regional Secretary	15	3570	7.000	23%	7	40. 233.900,00
2	Head of SKPD	14	2840	7.000	23%	5	22.862.000,00
3	Expert Staff	13	2605	7.000	23%	4	16.776.200,00
4	Secretary	12	2115	7.000	23%	4	13. 620.600,00
5	Heads of Field	11	2045	7.000	23%	3	9 877350,00
6	Village Head	9	1585	7.000	23%	2	5.103.700,00
7	Head of Subdivision	9	1455	7.000	23%	2	4.685.100,00
8	Head of the District	8	1295	7.000	23%	2	4.169.900,00
9	Implementing	7	1005	7.000	23%		1.618.050,00
10	Executors	6	740	7.000	23%		1.191.400,00
11	Collector	5	505	7.000	23%		813.050,00
12	Technicians	5	490	7.000	23%		788.900,00
13	Driver	3	370	7.000	23%		595.700,00
14	Interviewees	3	340	7.000	23%		547.400,00

f. Implementation of Employee Income Additional Study

The implementation of providing additional income for employees (*Tambahan Penghasilan Pegawai/TPP*) in the Garut Regency Government environment is based on several regulations, as follows:

1. Law Number 1 of 2014 concerning State Treasury;
2. Law Number 5 Year 2014 concerning State Civil Apparatus;
3. Law Number 23 Year 2014 concerning Regional Government;
4. Government Regulation Number 58 of 2005 concerning Management of Regional Finance;
5. Minister of Home Affairs Regulation Number 13 of 2006 concerning Guidelines for Regional Financial Management as amended several times, most recently by Minister of Home Affairs Regulation Number 21 of 2011 concerning Second Amendment to Minister of Home Affairs Regulation Number 13 of 2006 concerning Guidelines for Regional Financial Management (News State of the Republic of Indonesia in 2011 Number 310);
6. Regulations of the Regent of Garut Number 27 of 2016 concerning the Position and Composition of Regional Organizations of Garut Regency (Regional News of Garut Regency. The Garut Regency Government seeks to implement employee benefits / supplementary income (*tambahan penghasilan pegawai/TPP*) policies based on the principle of proportionality, equality, propriety and operational performance. Additional income to civil servants is given based on objective considerations by paying attention to the regional financial capacity and obtaining DPRD approval in accordance with the provisions of the legislation.

The purpose of providing additional employee income is to improve employee welfare while increasing performance, discipline and morale for civil servants in the Garut Regency Government. Additional employee income is given based on workload considerations and differentiated based on the following criteria:

- a) Holder of Structural Position;
- b) Holders of Certain Functional Positions;
- c) Executing Position;
- d) Civil servants who hold the task as Budget Managers, Property Managers and Specific Staff.

g. Study of Providing Additional Employee Income (*Tambahan Penghasilan Pegawai/TPP*)

In the process of implementing Garut Regent Regulation No. 32 of 2016, there are several issues that have surfaced, including the following:

1. Provision of TPP was found not to have an impact on improving performance. The provision of TPP was welcomed because it provided additional employee income and increased welfare. But related to the intent and purpose of the Garut Regent Regulation Number 32 Year 2016, namely as an effort to improve performance, discipline, and employee morale, in addition to TPP, employees also need conducive and stable work environments, as well as career path certainty in building performance and career employee.
2. Determination and granting of TPP has not been based on workload (position class) and progression of performance achievements of employees and agencies, but the amount of TPP is calculated flat with only based on group stratification and position only.
3. The amount of TPP tariffs has not been based on workload objectivity and performance progression, but only based on developing subjective assumptions.
4. Punishment in Garut Regent Regulation Number 32 Year 2016 has not been based on the objective achievement of employee performance on its workload, but it is only based on the assumptions of daily employee activity routines.
5. Too large a gap in the amount of tariffs given between one SKPD and another SKPD. Based on these issues, the analysis efforts to assess the reality of these issues were evaluated by TPP policies based on Ripley's opinion (Wibawa, op.cit: 8-9), which stated that policy evaluation activities were the first step to improve the policy making process follows the results.

Some issues that must be answered by an evaluation activity are:

1. Which groups and interests have access to policy making.
2. Is the manufacturing process quite detailed, open and fulfilling the procedure.
3. Is the program logically designed.

4. Are the resources that are the input of the program sufficient to achieve the objectives.
5. Is the standard of implementation good according to the policy.
6. Is the program implemented according to efficient standards and economy. Is money used honestly and precisely.
7. Does the target group obtain services and goods as designed in the program.
8. Does the program have an impact on non-target groups.
9. What are the impacts, both expected and unexpected, of the community.
10. When is the program action carried out and the impact received by the community.
11. Are these actions and impacts as expected.

h. TPP and Its Impact on Performance

The policy of giving TPP in the Garut Regency Government environment, it turned out that it did not/had not yet had an impact on improving performance, giving TPP was welcomed because it provided additional employee income and improved welfare. But related to the intent and purpose of the Garut Regent Regulation Number 32 Year 2016, namely as an effort to improve performance, discipline, and employee morale, that in addition to TPP, employees also need conducive and stability of the work environment, as well as the certainty of career levels in building performance and employee career. Basically, the preparation of this TPP policy is in accordance with applicable regulations. However, the process of granting the TPP is based solely on assumptions, based on rank and position only. So that the TPP that is being implemented at this time, has not been in accordance with the provisions stipulated by Perka BKN Number 20 of 2011 concerning Guidelines for Calculation of Performance Benefits for government employees.

Provision of TPP based on Garut Regent Regulation No. 32 of 2016 has provided increased income to government employees in the Government of the Garut Regency Government environment. But the nature of TPP calculations that have not been based on real performance calculations, could be one of the factors that has not yet improved the performance of government employees in the Garut

Regency Government. Additional employee income, calculated every month by the Expenditure Treasurer no later than every 5th of the following month, based on the database and / or manual calculation of the presence of official activities. Furthermore, the results of the calculation as intended, set forth in the form of a Report on the Details of the Discipline Indicators for each employee. The report of the Details is known and signed by the Head of the General and Personnel Subdivision and the Head of the Subdivision of Finance and Regional Property in each SKPD.

Additional employee income is stopped, if the government employee in question: 1) Take leave/vacation; 2) Carry out study assignments; 3) Deleted; 4) Being filing an objection / appeal against a severe disciplinary sentence. Additional employee income is given back, if: 1) Carrying out the task again after undergoing leave and study assignments; 2) Proved and found not guilty after filing an objection / appeal against a severe disciplinary sentence; 3) Addition of income

i. Study of the Implications for Implementing a Performance (Regional) Allowance System.

The amount of Regional Performance Allowances (TKO) for each position class, as shown in the following table:

Table 3. The amount of TKO for each position class

No	Position Name	Position Class	Position Value	IHNJ	IBRp	IK	The amount of TKD
1	Regional Secretary	15	3570	7000	23%	7	40.233.900,00
2	Head of SKPD	14	2840	7.000	23%	5	22.862.000,00
3	Expert Staff	13	2605	7000	23%	4	16.776.200,00
4	Secretary	12	2115	7000	23%	4	13.620.600,00
5	Heads of Field	11	2045	7.000	23%	3	9.877.350,00
6	Village Head	9	1585	7.000	23%	2	5.103.700,00
7	Head of Subdivision	9	1455	7.000	23%	2	4.685.100,00
8	Head of the District	8	1295	7000	23%	2	4.169.900,00
9	Implementing	7	1005	7000	23%	1	1.618.050,00
10	Executors	6	740	7000	23%		1.191400,00
11	Collector	5	505	7000	23%		813.050,00
12	Technicians	5	490	7000	23%		788.900,00
13	Driver	3	370	7.000	23%		595.700,00
14	Interviewees	3	340	7.000	23%		547400,00

The basic principles of regional performance allowance policies are fair and proportional. This means that if the TPP policy applies the same pattern (generalized). So with regional performance allowance policies, the amount of income received by a government employee will be largely determined by the weight and price of the position he carries. Broadly speaking, the basis for the emergence of regional performance allowance policies for civil servants is the mandate of Law No. 5 of 2014 concerning the State Civil Apparatus, that in addition to salaries, Civil Servants also receive performance allowances and overpriced benefits. The performance allowance referred to is paid according to performance achievements. Whereas for Expense Allowances paid in accordance with the level of expediency based on the prevailing price index in their respective regions.

The regional performance allowance policy aims to provide additional income in the form of salaries in order to support the duties and welfare of employees so that employee performance is more optimal. Over time, the implementation of regional performance allowance policies implemented work standards as a reference in granting allowances to civil servants based on performance appraisal based on Government Regulation Number 46 of 2011 concerning Civil Servants Job Performance Assessment.

In accordance with the program objectives outlined above, the program's focus point is on the performance appraisal process which is a key element in implementing the regional performance allowance policy. The work performance appraisal of civil servants aims to ensure the objectivity of PNS development based on the work performance system and career system which is focused on the work performance system.

Assessment as intended is based on objective, measurable, accountable, participatory and transparent principles. The elements assessed in work performance are Employee Work Goals (*SasaranKerjaPegawai!SKP*) and work behavior.

In January every year, civil servants are required to prepare SKP based on an annual work plan that contains job assignment activities and targets that must be achieved within the assessment period that are real and measurable. The SKP that has been prepared must be approved and determined by the direct leader. SKP that has been

approved and determined is the basis for the assessment of the leadership which includes aspects of quantity, quality, time and cost.

Employee Work Goals (*Sasaran Kerja Pegawai/SKP*) assessment is done by comparing the realization of work with the target and if the work realization exceeds the target, the SKP assessment of achievement can be more than 100 (one hundred), but if the SKP is not achieved due to factors beyond the ability of individual PNS, the assessment is based on consideration of the conditions.

In addition to Employee Work Goals (*SasaranKerjaPegawai!SKP*), work performance of government employees is measured by work behavior which includes service orientation, integrity, commitment, discipline, cooperation and leadership. Assessment of work behavior is done through observation by the leadership of civil servants according to the criteria that have been made. In evaluating the work behavior of civil servants, leaders can consider input from other leaders of the same level. The value of work behavior can be given as high as 100 (one hundred).

Job performance assessment is done by combining SKP assessment with assessment of work behavior. Employee Work Goals (*SKP*) element value weight 60% (sixty percent) and work behavior 40% (forty percent). For the purposes of evaluating the performance of government employees carried out by the leadership in 1 (one) year, that is carried out at the end of December in the year concerned and no later than the end of January of the following year. As for measuring the work performance of civil servants, the assessment is conducted every month.

The value of government employees (*PNS*) work performance is stated by numbers and designations, namely as follows:

1. 91 - up : very good
2. 76-90 : good
3. 61 -75 : enough
4. 51-60 : less
5. 50-down : bad

The regional performance *allowance*(*TKD*) component for civil servants in the Government of Garut Regency can be described as follows:

1. Payment for position (pay for position).
The amount/amount of the allowance is paid for the position calculated according to the job value generated by the position. Pay for position in the form of additional salary originating from the Regional Budget, is paid for the realization of the burden of the main tasks and other supporting tasks. The regional performance allowance component is final compensation. Payments are made every mid-month;
2. Payment for achievement of performance targets (pay for performance). Pay for performance is a performance incentive paid for work performance and achievement of key performance targets or key performance indicators/KPIs. The terms of the performance incentive payment are fulfilling the standard duty and evaluated to achieve the realization of the performance target. Performance allowances are variable compensation;
3. Attention to welfare (pay for people).
4. Benefit programs that are a form of welfare are individual.

Determination of performance allowance begins with the making of a work contract by filling out Employee Performance Targets (SKP), namely civil servants are required to submit any work that will be carried out for 1 (one) year, complete with planned targets. Furthermore, the direct leader / supervisor as the appraisal officer conducts the SKP inspection and corrects if needed, then the civil servants will receive the SKP correction results again and if an agreement is reached between the civil servants and the direct supervisor/boss, both parties sign the SKP. Furthermore, the SKP issuance has been carried out, namely the contract of work to be carried out by civil servants that has been approved by the superior. Based on the predetermined SKP, the appraisal officer/supervisor directly determines the job grade / position class against the civil servants in accordance with the work weight stated in the determined SKP. Determination of job grade / class position is compiled and determined based on the provisions of PermenPAN-RB No. 34 of 2011 and PerKa BKN No. 21 of 2011.

Each grade will have an impact on the amount of TKO receipts for each civil servant every as follows:

Table 4. Employee Performance Allowances in the Garut Regency Government Environment

Position Class (Grade)	Performance Allowance (Rp.)
15	40.233.900,00
14	22.862.000,00
13	16.776.200,00
12	13.620.600,00
11	9.877.350,00
10	
9	5.103.700,00
8	4.169.900,00
7	1.618.050,00
6	1.191.400,00
5	813.050,00
4	
3	547.400,00

Determination of the job grade/class of office, can be accessed openly by civil servants. This will have a positive impact, namely the supervisory function of civil servants directly towards the misuse of the leadership authority. So that it is expected that there will be no favoritism towards giving grade. It is also a positive motivation for civil servants to achieve higher grades/classes by improving their performance. After determining the grade, the civil servants have the right to receive regional performance allowances each month according to their grade/class. Based on the above, in principle the main activities in implementing regional performance allowance policies are employee performance appraisals every month. This regional performance allowance policy, indirectly requires civil servants to perform optimally, namely improving the quality of human resources. Improving the quality of strategic human resources for skills, motivation, development and management of organizing human resources is the main requirement to realize competitiveness and independence.

In line with that, the vision in the context of future employment development is to prepare professional civil servants, able to compete and be able to anticipate rapid world developments in various aspects of life, so as to improve service quality and high performance. Awareness of the need for quality human resources needs to be followed up

with various strategies that can improve employee performance. One strategy to deal with challenges that are not light, every organization must redesign its organizational planning, management of performance management and human utilization. In this case it means striving for human resources to be able and willing to cooperate optimally to achieve organizational goals. Elements of human resources and work systems that are flexible to the environment of change become increasingly decisive for the success of achieving the expected goals.

In principle, the criteria for giving performance benefits (remuneration) are based on grade. The payroll system is part of the remuneration system and is one of the implementation or application of the results of performance management. Remuneration itself has the meaning as every form of reward (reward) received by employees as a result of task performance in the organization, including gifts, awards or promotions. Own performance cannot be achieved optimally if the remuneration is given not proportionally.

This approach through developing remuneration is known as an effective way to reduce costs and increase employee productivity. The salary increase will only be effective if it is implemented simultaneously with the implementation of performance-oriented personnel management, so that there is clarity about what are the duties and responsibilities of each employee, as well as the size / target of performance that must be achieved. Thus each employee understands that to get certain rewards must also achieve certain performance. By developing an employee remuneration system based on the workload and responsibilities of each employee and employee performance, it is expected to improve the performance of civil servants in the Garut Regency Government.

Driving and Inhibiting Factors in the implementation of TUKIN in Improving the Performance of government employees (PNS) in the Government of Garut Regency There are driving factors and obstacles to the implementation of regional performance benefits in the Garut Regency Government environment, including the following:

- 1) Driving Factors
 - a) There is a high level of commitment from the Civil Service Officer of Garut Regency in implementing the Regional Performance Allowance policy for civil servants in the Garut Regency Government.

- b) Availability of job grade documents (Job Grade).

In this document, there are position points from all positions, both senior leadership positions, administrative positions and functional positions, which are within the Garut Regency Government. These points, then become one of the bases in determining the amount of regional performance allowances that will be received by civil servants.

2) Inhibiting Factors

- a) Not yet understood the technical implementation of employee performance appraisal.

In inputting employee work target data (SKP) and on-line attendance, as a basis for granting regional performance benefits, simultaneous and on-the-spot socialization and simulations need to be carried out. Readiness and understanding as intended are very important in implementing the implementation and provision of regional performance benefits.

- b) The difficulty of collecting documents (assignment letter, decree, warrant) as a condition of payment for regional performance benefits. Because it is not familiar, employees will find it difficult to collect supporting documents, including assignments, warrants, decrees, etc. This is because most documents are not stored properly, so that when filing regional performance benefits is opened, the employee concerned will be confused to look for it.

- c) There are some employees who do not master IT. Some employees do not master IT such as computer operations and scanners, given the submission of regional performance allowances carried out with an online system that requires employees to fill in using computers and scanners as a tool to scan documents used as evidence of activities to be paid for. Consequently, the employee concerned is asking for help from other employees, so the submission process is a little slow due to having to wait for the queue to fill.

Conclusion

1. Implementation of remuneration policy The Government of Garut Regency has been running well proven in the implementation of the policy using the principle of proportionality, equality, propriety and operational performance;
2. Remuneration policies are proven to improve the performance of civil servants in the Government of Garut Regency, considering that the acquisition of remuneration is influenced by work performance which consists of employee work goals (SKP) and work behavior. So that employees will try their best to be able to get very good achievements by carrying out their obligations in accordance with existing rules; and
3. Implementation of remuneration policies In the Government of Garut Regency there are several driving and inhibiting factors, including the following:
 - a) Driving Factors
 - 1) There is a high level of commitment from the Tukinda Committees and Verification Team
 - 2) The data in the form of a Tukinda Activity Points Unit (SPKT) rubric
 - b) Inhibiting Factors
 - 1) Different understanding of the Tukinda Activity Points Unit (SPKT) rubric
 - 2) It is difficult to collect documents (assignment letter, SK, JTM) as Tukinda requirements;
 - 3) There are several employees who do not master IT
 - 4) Delay in payment of remuneration money

Suggestions

1. Intensively coordinate the mechanism and implementation of verification with the verification team.
2. Continuous socialization of civil servants in the Garut regency government.
3. There is reward and punishment for employees who do not complete work proof documents.

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3

INTEGRATED CAREER PATTERN HOPE OF BUREAUCRATION IN THE FUTURE

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Integrated Career Pattern Hope of Bureaucration in the Future

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Abstract: In carrying out public service duties, government duties, and the task of development, the State Civil Apparatus (ASN) employees must have professional capabilities as individuals as set out in ASN management based on the merit system. The absence of a clear career pattern arrangement will result in the low performance of government employees (PNS) and consequently have a low quality of public services, even resulting in service users having to pay a high cost economy. Career development through a good career pattern can encourage employees to grow and develop according to professionally owned competencies. Employees will be motivated to perform well which contributes to the improvement of agency performance. In addition to the above, there is a clear career pattern that also provides career

security for structural and functional officials in the central and regional government. Career patterns are used as a guideline or reference in the appointment of someone to a certain position by referring to the position competency standards held, so that the process of transferring, promoting, transferring and demoting government employees (PNS) is better organized. Career patterns may no longer depend on the policies of the leadership of the institution. Clear career patterns in the area will also have a positive impact on the political climate in the region, where officials will be neutral when regional elections are held. Therefore policies need to be formulated regarding the career pattern of civil servants as a guide in the management of career patterns of civil servants that are selective, fair and competitive.

Keywords: Career Patterns, State Civil Apparatus (ASN) and government employees (PNS).

1. Introduction

Government employees (PNS) have a stake in realizing the administration of government tasks and implementation of National development. The implementation of National development is very dependent on the ability of the State Apparatus. Therefore government employees should have good quality in order to be able to carry out their duties professionally, fairly, responsibly, precisely and correctly. In Law No. 5 of 2014 concerning the State Civil Apparatus (ASN Law) PNS career development is carried out based on the merit system by looking at qualifications, competencies, performance appraisal, and needs of government agencies and carried out by considering integrity and morality. These competencies include 1) Technical competencies measured by the level and specialization of education, functional technical training, and experience working technically; 2) Managerial competencies measured from the level of education, structural or management training, and leadership experience, and; 3) Cultural social competencies measured by work experience are related to plural societies in terms of religion, ethnicity and culture so that they have national insight. Integrity is measured by indicators of honesty, compliance with the provisions of laws and regulations, the ability to cooperate, and service to the community, nation and state. Morality

is measured by the application and practice of religious, cultural and social ethics values. Every civil servant has the same rights and opportunities in developing competencies, including education and training, seminars, courses.

Upgrading and implementation are evaluated by authorized officials and used as one of the bases in the appointment of positions and career development. Government Regulation Number 13 of 2002 concerning Appointment of government employees in Structural Position in Article 12 states that to ensure career development direction, career baselines with Presidential Decree and each Institution leader determine the career pattern of civil servants based on the PNS career pattern as intended. Government agencies are required to develop career patterns for PNS specifically according to their needs based on national career patterns. To ensure the harmony of the potential of government employees with the need to carry out government and development tasks, a career pattern for government employees is integrated nationally. This provision can be interpreted as a career pattern even though it is prepared by each agency both the central government (ministries, non-ministries and other state institutions) of the provincial and district / city governments, but must be integrated nationally. If career development refers to employees, namely efforts to improve employee careers, then career patterns are blueprints or guidelines for the possibility of career paths to be passed by a government employees. If we look at nationally the number of State Civil Apparatus (ASN) in Indonesia currently reaches 4,351,490 people. The ASN composition consists of executive or general administrative positions, teacher functional positions, technical and health, and structural positions. "The composition of the ASN is still not good. Public administration and teachers are still the most. Small health workers," said Deputy of Human Resources (HR) Apparatus Ministry of Administrative Reform and Bureaucratic Reform (Kempan), Setiawan Wangsa Atmaja This was stated by Setiawan during a discussion on the Leader's Talk entitled "ASN Professional Not Just A Dream" at the State Secretariat Building, Jakarta, Tuesday (9/10). "This composition is what we are changing. In 2018, we select, except the general administration. We want to fill out the technical ones," he said. For information, from the data of the Ministry of Administrative Reform, there were 1.643.535 people (37,70%) general administration ASN,

1.636.322 (37,60%) teachers, Structural position of 434.488 (9,99%), technical functional positions 372.740 (8,57%), and health 264.305 (6,07%) While the number of government employees who will enter the pension age limit for 2016 until 2020 is 752.271 people with details of structural 85.829 people, Specific Functions 409.800, and General Functional 256.642 people Based on these data, it is seen that the portion of government employees who occupy general functional positions is still quite large, where there is no career path in this general functional position The trend that occurs in government agencies at this time is the career development of civil servants precisely more on the leadership or organization side. The principle of employee career development is the need for willingness and commitment from employees and leaders of the organization, because the career of civil servants is the lowest to the highest level of development in achieving positions Therefore to determine the career pattern of government employees, it is necessary to refer to Law No.5/2014 concerning the State Civil Apparatus (ASN), taking into account the types and levels of existing employee positions according to the provisions stipulated in this ASN Law, as well as what conditions must be fulfilled and what stages must be passed in order to reach the existing position positions. If we observe the career pattern of government employees in several regencies / cities in Indonesia, we can see several problems that arise, among others, as follows

1. Still low professionalism of government employees,
2. Inadequate level of welfare,
3. The distribution and composition are not yet ideal,
4. Placements in positions that are not yet in accordance with competence,
5. Not objective assessment of work,
6. Promotion that has not been based on work performance,
7. Work culture and work morale are still low,
8. Application of disciplinary regulations that are not carried out consistently and consequently and internal problems of civil servants.

In order to realize the government employees figure as mentioned above, which enables the growth of employees' commitment to be optimal, there is an organizational management system for employees, namely the career pattern of government employees. Career pattern

is a pattern of government employees development that describes the career development path that shows the relationship and harmony between position, rank, education and training position, competence, and the tenure of a civil servant from the first appointment in a certain position to retirement. The aim of this career basic pattern is to provide guidance for the Central and Regional government employees Development Officers to develop career patterns for civil servants in their respective agencies. The problem is how is the career pattern created, established and implemented whether it is in line with the expectations to create accountable and qualified professional civil servants, the employee problems faced by most of the Regional Governments on average are similar to career patterns that are not transparent and unmeasured, partially felt employees are unfair, there are employees whose careers are very fast, there are also employees whose careers can be said to be on the road. When viewed from the number of employees and compared to available positions, it is not comparable, so that a civil servant must have expertise and skills in accordance with his field of work to be able to compete objectively in occupying positions as future career development for civil servants. Regulations regarding career patterns in several regencies / cities throughout Indonesia still vary depending on the commitment of stakeholders in each of their governments, some provinces / districts / cities have put them in the form of regulations (governors / regents / mayors) that provide an overview of career travel maps from CPNS to retirement according to rank, position, education, age and years of work, but there are still many who have not made the intended career pattern. Therefore, in the implementation of the career pattern there are problems, including:

- 1) Not yet able to give a clear picture of how the career system will be built in the Regional Government;
- 2) The substance of the existing career pattern guidelines governs the terms of office;
- 3) Mechanism of transfer of position / career vertically, horizontally, condition zig zag) has not been regulated in detail;
- 4) Scoring of the civil servants who will be appointed as structural officials has not been based on elements: rank, education (diploma), DUK, and other relevant elements;
- and 5) Unique / unique characters and tasks of each Echelon I Unit (eg Education, Health, Agriculture and Public Works) have not been accommodated in the PNS career pattern. A good career pattern will provide certainty to employees about the implementation of their

duties that will determine their future in the organization. Certainty such as promotion in office, sanctions for violations as a result of his work will spur employees to always work optimally. Therefore a clear career pattern is needed to improve employee performance which will lead to the overall performance of the Ministry.

2. Research Methods

In research using literature and library studies issued by local governments in several provinces, districts / cities as samples, based on established criteria The accuracy and objectivity of the information obtained is then expected to be able to describe the value or success rate of a program (career pattern) that has been running This study is descriptive analysis that aims to describe the actual situation that occurs in the pattern of Civil Servants Career in the Regional Government The approach used in this study is a qualitative approach to maximize all information related to the subject matter in order to get a deep and comprehensive evaluation results. The location of the study was carried out at the Staffing and Training Agency of Garut Regency as a research sample for implementing career patterns.

3. Literature Review

3.1 Career Pattern of government employees

Career is a series of changes in values, attitudes and behaviors and motivations that occur in each individual during the span of his life to clearly find skills, career goals and needs for development, plan career goals, and continuously evaluate, revise and improve the design. Career is also an interaction partnership process in stages and cooperation between organization / company or management, direct supervisor and individual itself (Gibson et al, 1995; Irianto, 2001; Simamora, 2001; Soetjipto, et al, 2002 276). Career pattern practice is more of an implementation of career planning, this is as expressed by Handoko and Reksomadiprjo (2001), that: "career patterns are personal enhancements made by someone to achieve a career plan". While the career system according to Handoko (2000), "carried out alone by the organization itself, so it must start from the basic concept of the career itself". Thus, the career system is a

pattern of employee guidance where the appointment of employees is based on skills, years of service, loyalty and other conditions such as work performance, responsibility, loyalty, initiative, cooperation and leadership so that high employee productivity can be achieved. This is in accordance with what was revealed again by Handoko (2000) that: "there are four components in the implementation of the career system, including career planning, career paths, career goals, and career development". Government Employees (PNS) must have a clear career pattern built into a good career system. So that the career pattern in each institution is the duty of every leader in the relevant institution to develop and determine the career pattern of civil servants in their environment. In the career development of civil servants we must refer to Law No. 5 of 2014 which adheres to the "merit system" which is based on qualifications, competencies, and performance fairly and fairly regardless of political background, race, color, religion, origin, type sex, marital status, age, or disability condition. This is similar with the opinion of Khotimah et al, 2013 which states that: "successful recruitment is recruitment carried out through the merit system in ASN policy and management" This merit system has the following characteristics:

- 1) Selection and promotion in a fair and competitive manner,
- 2) Applying the principle of fairness,
- 3) Payroll, reward and punishment based on performance,
- 4) Standards of integrity and behavior in the public interest,
- 5) HR management effectively and efficiently,
- 6) Protect employees from political intervention & arbitrary actions.

As it is understood that in ASN there are types and levels of ASN positions, the State Civil Apparatus Position (ASN) in accordance with Law Number 5 of 2014 concerning ASN consists of three types of positions, namely:

a) Administrative Position

Administrative Position is a group of positions that contain functions and duties relating to public services and government administration and development. Administrative positions have three types of levels, namely:

- 1) For the highest level of office is called the position of administrator,

- 2) For the intermediate level is called the supervisory position and
- 3) For the lowest level position is called the executive position.

Officials in administrator positions are responsible for leading the implementation of all public service activities as well as government administration and development. Officials in the supervisory office are responsible for controlling the implementation of activities carried out by implementing officials. While officials in the executive position are responsible for carrying out public service activities as well as government administration and development. Each of these positions is determined in accordance with the competencies needed to be able to handle workloads that are the responsibility of government agencies or work units.

b) Functional Position

Functional Position is a group of positions that contain functions and tasks related to functional services based on certain skills and skills. The Functional Position in ASN consists of functional positions of expertise and functional positions of skills. The functional positions of expertise are four levels, namely:

- 1) The highest functional position of the expert is called the main expert functional position,
- 2) Intermediate expert functional positions,
- 3) Functional positions of young experts and
- 4) The lowest functional position of the expert is called the first expert functional position

While the functional position of skills, also consists of four levels, namely:

- 1) The highest skill functional position is called the supervisor's functional position,
- 2) Advanced functional positions,
- 3) Functional and skilled positions
- 4) The lowest functional position is called a beginner functional position.

c) High Leadership Position

High Leadership Position is a group of high-ranking positions in government agencies. The High Leadership Position, consists of three levels, namely:

- 1) The highest position of the highest level is called the main high leadership position,
- 2) Middle level high positions are called senior high level positions, and
- 3) The highest position at the lowest level is called the position of senior leadership.

This High Leadership Position serves to lead and motivate every ASN employee at Government Agencies through (1). pioneering in the fields of professional expertise, policy analysis and recommendations, and management leadership, (2). development of cooperation with other agencies, and (3). exemplary in applying the basic values of ASN and implementing the ASN code of conduct and code of conduct. Furthermore, for each High Leadership Position stipulated competency requirements, qualifications, ranks, education and training, track record of position and integrity, and other requirements needed, as well as procedures and stages of selection which are regulated and determined by Government Regulations. State Civil Apparatus (ASN) positions are generally filled from PNS ASN. However, it is also possible for certain ASN positions to be filled from Indonesian National Army soldiers and / or members of the Republic of Indonesia National Police. Specifically for filling in certain ASN positions originating from Indonesian National Army soldiers and members of the Republic of Indonesia National Police carried out at the Central Agency as stipulated in the Law on the Indonesian Armed Forces and the Law on the National Police of the Republic of Indonesia, and procedures for filling them will be regulated by Government Regulation. Government employees can move between and between high leadership positions, administrative positions, and functional positions at central agencies and regional institutions based on qualifications, competencies, and performance assessments Civil servants can be appointed to certain positions within the Indonesian National Army (TNI) and the Indonesian National Police (Polri) agencies. Civil servants who are appointed in certain positions within the TNI and Polri, then the rank or position is adjusted to the rank and position within the Indonesian National Armed Forces and the Indonesian National Police. Further provisions regarding rank, procedures for appointment of civil servants in positions, job competencies, job classification, and procedures for the transfer of administrative positions and functional positions are regulated by Government Regulations.

Promotion of government employees is determined based on objective comparisons between competencies, qualifications, and requirements needed by positions, assessment of work performance, leadership, cooperation, creativity, and consideration of the performance appraisal team of civil servants in Government Agencies, regardless of gender, ethnicity, religion, race, and class. Every civil servant who fulfills the requirements has the same rights to be promoted to a higher level of office. Promotion of Administrative Officers and PNS Functional Officers is carried out by the Personnel Development Officer after being considered by the PNS performance appraisal team at Government Agencies. The civil servant performance appraisal team was determined to be formed by an Authorized Officer. Filling in the main and middle high leadership positions in the ministries, secretariat of state institutions, non-structural institutions, and Regional Institutions is carried out openly and competitively among civil servants by taking into account competency requirements, qualifications, ranks, education and training, position record, and integrity and other requirements needed in accordance with the provisions of legislation. Filling in the main and middle high leadership positions is carried out at the national level. Filling in high ranking leadership positions is conducted openly and competitively among civil servants by taking into account competency requirements, qualifications, ranks, education and training, position track record, and integrity as well as other job requirements in accordance with statutory provisions, implementation can be national or inter-district level / city in 1 (one) province. Certain positions of the main and middle high leaders can come from non-civil servants with the approval of the President whose filling is done openly and competitively and stipulated in the Presidential Decree. High-ranking positions can be filled by Indonesian National Armed Forces and members of the Republic of Indonesia National Police after resigning from active service if needed and in accordance with the competencies determined through an open and competitive process. High-ranking positions in certain government agencies can be filled by Indonesian soldiers and members of the Republic of Indonesia National Police in accordance with competencies based on the provisions of statutory regulations. The filling in of the High Leadership Position is carried out by the Personnel Development Officer by first forming a Government Agency selection committee. In forming a selection committee for the

Staffing Officer, coordinating with the State Civil Apparatus Committee (Komite Aparatur Sipil Negara/KASN). The Government Institution selection committee as referred to consists of internal and external elements of the relevant Government Agency. The selection committee is selected and appointed by the Staff Development Officer based on knowledge, experience, competence, track record, moral integrity, and neutrality through an open process. The selection committee conducts selection by taking into account competency requirements, qualifications, rank, education and training, track record of position, integrity, and assessment of competency tests through an assessment center or other assessment methods. The selection committee carries out its duties for all job filling selection processes open for the period of service stipulated by the Personnel Development Officer. Provisions regarding filling in the High Leadership Position with the above stages can be excluded from Government Agencies that have implemented the Merit System in fostering ASN Employees with KASN approval. Government Agencies that have implemented the Merit System in fostering ASN Employees who are included in the exception must report regularly to KASN to obtain new approval.

3.2 Perspective of the ASN Law No. 5 of 2014 in the Career Pattern of Civil Servants

Employee development includes two things, namely the development of employee quality and employee career development. The development of competency-based quality of human resources (PNS) is needed to create a professional government. Competency concerns the authority of each individual to carry out a task or make a decision according to his role in an organization that is relevant to his expertise, knowledge and abilities. This is where competence becomes an underlying characteristic of an individual or someone achieves high performance in his work. These characteristics arise in the form of knowledge, skills, and attitude to create apparatuses who have a high spirit of service in serving people who always act economically, efficiently, rationally, transparently, and accountably. The competencies possessed by civil servants individually must be able to support the implementation of organizational strategies and be able to support any changes made by management. Personnel management has not run systematically, consistently and directed. This is still evident in:

- 1) Procurement and placement of CPNS / PNS has not referred to the basic needs of the organization
- 2) promotion has not been based on rank / class structure, competence and work performance,
- 3) Appointment in structural positions has not been based on competency and work performance,
- 4) PNS development is still very limited, as well as
- 5) Work discipline, work appraisal, welfare improvement and pension programs have not been the focus of the study and consideration of the leadership.

As a result, the work climate is not conducive because the guidelines and implementation of civil servant career patterns have not fully synergized between the needs / objectives of civil servants and institutions. the trend of career development for civil servants at this time is more on the leadership or organization side. Common problems with the current PNS career pattern are:

- 1) Have a job, but don't have a career (have a job, not have a career)
- 2) Experience rotation and mutation, but have no career path clarity (rotation and mutation without career path)
- 3) Having a promotion and position, but not in a certain career level (promotion, with no career ladder)
- 4) Not having a career plan (no career plan)
- 5) The organization has no succession planning (no succession plan)
- 6) Organizations manage rotation, transfer, promotion reactively, not proactively (no talent management system)
- 7) Organizations do not prepare future leaders (no grooming system for future leaders)

Along with the enactment of Law Number 5 Year 2014 the development of PNS careers includes developing competencies that include technical, managerial, socio cultural, integrity and morality competencies. Where as the output of career development will arise harmony between the potential of civil servants with the need to carry out government and development tasks that are arranged in a clear Career Pattern. In relation to this, the career development of civil servants is expected to be managed professionally. Every Government Agency sets up a career pattern for civil servants

specifically in accordance with the needs based on national career patterns. PNS career patterns include: 1) Planning; 2) Recruitment; 3) Selection; 4) Placement; 5) Promotion and mutation; 6) Discipline; 7) Performance appraisal; 8) Diklat; 9) Pension. The previous career pattern of civil servants refers to Government Regulation Number 13 of 2002 Amendment to Government Regulation Number 100 of 2000 concerning Appointment of government employees in Structural Position, in which regulating the relationship between position, rank, education and training position, and subsequent competence and tenure are refined to Career development of civil servants by Law Number 5 Year 2014 with a "merit system" that is based on qualifications, competencies, and performance fairly and fairly regardless of political background, race, color, religion, origin, gender, marital status, age, or disability condition, this merit system has the characteristics:

- 1) Selection and promotion in a fair and competitive manner,
- 2) Applying the principle of fairness,
- 3) Payroll, reward and punishment based on performance,
- 4) Standards of integrity and behavior in the public interest,
- 5) Protect employees from political intervention & arbitrary actions.

Comparison of career patterns of civil servants based on Government Regulations

Number 13 of 2002 with the ASN Law No.5 /2014 is as follows,

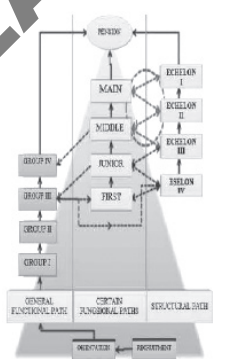


Figure 3.1.
Career pattern
of civil servants based
on Government
regulations Number 13
of 2002

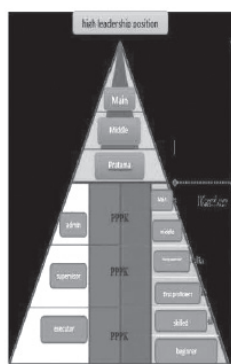


Figure 3.2.
Career pattern
of civil servants based on
Law Number 5 Year 2014
ASN

The principles of the PNS career pattern are:

- 1) Certainty, namely the career pattern must describe the certainty about the direction of the career path that can be taken by each civil servant who has fulfilled the requirements specified in the legislation.
- 2) Professionalism, namely career patterns must be able to encourage increased competence and work performance of civil servants
- 3) Transparent, that is, a career pattern must be known by every civil servant and gives equal opportunities to civil servants who have fulfilled it
- 4) Justice, namely that the provisions in the career pattern apply equally to every civil servant and are not discriminatory.

PNS Career Pattern Forms are:

- 1) Horizontal, namely the movement of civil servant positions from one position to another in the same class and position group both within the administrative position group, or within the functional position group.
- 2) Vertical, namely the movement of civil servant positions from one position to another higher position within the group of administrative positions or within a group of functional positions
- 3) Diagonal, namely the movement of civil servant positions from positions in administrative positions to positions in functional positions or vice versa

The absence of a career pattern that clearly results in low performance of the bureaucracy (PNS) results in a low quality of public services, even resulting in service users having to pay a high cost economy. Career development through a good career pattern can encourage employees to grow and develop according to professionally owned competencies. In this case, employees will be motivated to perform well which will have an effect on improving agency performance. In addition to the above, a clear career pattern also provides career security for structural officials in the central and regional environment. Career patterns are used as guidelines or references in the appointment to a position based on their competency standards, so that the process of transferring, promoting, transferring and demoting civil servants is better organized. Career patterns no longer depend on changes in agency leadership.

A clear career pattern in the region will also have a positive impact on politics in the region, where officials will be neutral when regional heads change, following the revision of the Law on Regional Election through Law Number 10 of 2016. One of the changes included in the Law This is about the prohibition for prospective incumbents to transfer state civil apparatus, if the prospective incumbent who carries out the mutation six months before and after the appointment as a regional head candidate will be rewarded for cancellation as a candidate for regional head. This is also reinforced by the General Election Commission Regulation (PKPU) Number 3 of 2017 Article 89 Paragraph 1, stated in the article that prospective candidates as incumbents are prohibited from making official changes six months before the date of appointment of candidate pairs until the end of the term "Sanctions according to Paragraph 3 is for incumbents who violate the nomination, they will be declared as not fulfilling the requirements, "Except" if there is an urgent need and obtain permission from the Minister of Home Affairs (Minister of Home Affairs), Chairperson of the Central Bawaslu. He acknowledged these rules and prohibitions as a form of anticipating the possibility of bureaucracy being led as a success team or ASN involved in practical politics.

4. Results And Discussion

4.1 Implementation of Career Systems in the Environment

Rules regarding the Guidelines for Career Patterns of Civil Servants in some Regional Governments are regulated in the Governor/ Regent/Mayor Regulations on Career Patterns within the Government which includes:

- 1) Procurement Elements and Employee Appointment;
- 2) Elements of the Promotion of Employees;
- 3) Elements of Education and Training;
- 4) Employee Assignment Elements;
- 5) Dismissal Elements.

The five elements have an important role and are interrelated with each other which is a number of career coaching, so that it can provide enthusiasm or motivation for every employee to always improve professionalism and can be a reference for authorized officials in the appointment, transfer and dismissal of civil servants in the Garut Regency Government environment.

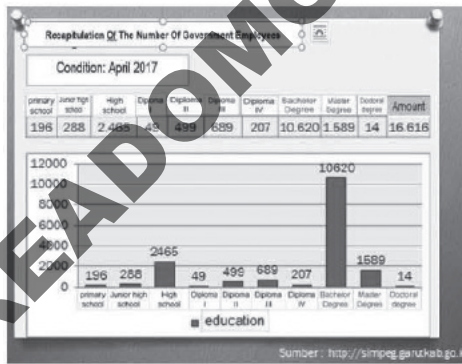
4.2. Field Data Analysis

Data in this study were obtained from data Staffing and Training Agency of Garut Regency.

a. Formal education

Each level of office must have a formal education level and qualification, so that it can support the implementation of tasks in their positions in a professional manner, especially in the effort to implement the theoretical, analytical and methodological framework for carrying out tasks in their positions From the data recorded in regional staffing/personnel agency (BKD), it can be seen that the determination of employee career in the Government of Garut Regency has taken into account the level of formal education that is owned (73,21%), provide positions that are adjusted to the level of education (58.85%) even though we understand that employees have high education does not guarantee that it can work well.

Table 4.1. Recapitulation of the Number of Civil Servants



b. Position Education and Training

Education and training is an *effort* to develop apparatus resources, especially for professional improvement related to administrative skills and management skills (leadership). To improve the quality of capabilities involving work skills, thinking and skills, education and training are very necessary. Education is an activity for people who are general knowledge including the theory of problems concerning the achievement of goals While training is an activity to improve work ability through practical knowledge and its application in an

effort to achieve goals Job training must be followed by a civil servant who is appointed to a position to improve his skills and expertise in the field of his duties. In order to develop employees as an effort to improve quality, such as: skills, knowledge, expertise and character of employees carried out through education and training. Education and training provided to employees must be in accordance with the requirements needed, so that the improvement in the quality of employees will be truly fulfilled.

The Garut Regency Government based on the issuance of several regulations on job competency standards, namely:

1. Regent Regulation Number 45 of 2017 concerning Primary High Competency Leadership Standards, within the Garut Regency Government.
2. Regent Regulation Number 46 concerning Competency Standards for Administrator Position in the Garut Regency Government and
3. Regent Regulation Number 47 concerning Supervisory Position Competency Standards in the Garut Regency Government area.

Thus, employees can pursue positions that are expected to have clear standardization, then if we look at the data, it shows that most of the training attended by employees, especially in-service training, has become a consideration of leaders in determining employee career (52,15%). The expertise or ability of officials in the Garut Regency Government in carrying out tasks is largely in line with the needs of the organization (51,67%) and the remaining amount of (46,89) is not in line with the needs of the organization in the Garut Regency Government. This means that, in Garut Regency Government as a whole has been relatively good in the placement of employees, but still must be made improvements in terms of expertise and ability in carrying out the task to create employees who have reliable professionalism in carrying out their duties. Capability is one element in maturity related to knowledge or skills that can be obtained from education, training and experience. The ability to carry out tasks, especially Government officials of Garut Regency in the opinion of Garut leaders increased according to the needs of tasks mandated by the organization. Then the participation of employees in the training carried out by the

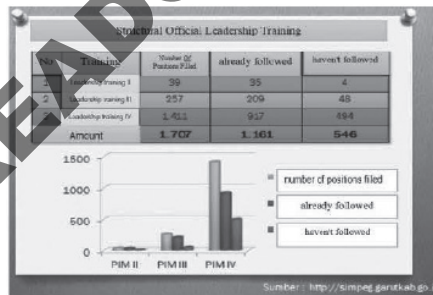
Regency Government is largely in accordance with the needs of the organization and assignments or in the term of the right man on the right place but there is still a tendency for sending training participants not from the fields in need. But overall the training and training conducted by the BKD Garut has increased employees more skilled in carrying out their duties, and in accordance with the demands of bureaucratic reform.

Table 4.2. SeNice Examination Competency Test and Adjustment of government employee Diploma

Service Examination Competency Test and Adjustment of government employee Diploma		
NO	Exam Type	Amount
1	service exam Tk. I (Gol II/d ke Gol III/a)	7
2	service exam Tk. II (Gol III/d ke Gol IV/a)	4
3	promotion adjustment High School (Gol. II/a)	25
4	promotion adjustment D-III (Gol. II/c)	2
5	promotion adjustment S-1 (Gol III/a)	311
6	promotion adjustment S-2 (Gol III/b)	5
Total		354

Field of BKD apparatus development

Table 4.3. Structural Officer Education and Training Leadership

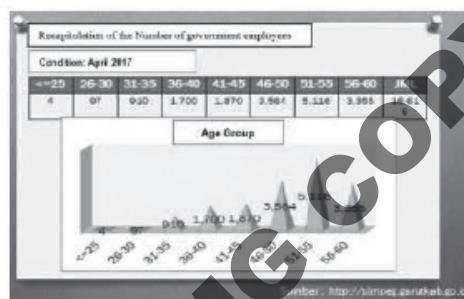


c. Age

A career is also influenced by age, that each individual at a certain age level has a role that must be run in accordance with the stages of development. The relationship between the age of the individual and the stage of career development has a role in career maturity that must be carried out in accordance with the stages of development. Based on the data obtained it can be

seen that 54.07% consider the age factor in career determination, indeed if we look at from several theories that old age does not necessarily indicate maturity in acting and behaving. Mature age is not synonymous with old age, and otherwise old age does not always mean mature. Likewise, with a civil servant who has old age, it does not mean that he automatically has the ability in his field of work, not necessarily if compared with the younger civil servants. Even though the progress of an institution that is needed is an employee who has maturity in acting and has high competence.

Table 4.4. Recapitulation of the Number of government employees



d. Years of service

Working period is the period of time someone has worked for an organization, institution and so on. A person's working period in the organization needs to be known because the working period is one indicator of the tendency of workers to carry out their work activities. For example, so that the work productivity of the longer a person works, the higher the productivity because he is more experienced and has good skills in completing tasks entrusted to him. The work period can also be interpreted as work experience, namely the length of time someone works in an agency or organization that is calculated from the first time working, the longer someone works, the employee will be increasingly considered experienced. In the Government of Garut Regency someone's working period in a certain position is something that should be considered because it will be related to someone's career in the future if an official is hampered the promotion process will of course affect the careers of other employees below and eventually regenerate positions not running optimally. Based on the acquisition of data in the field

shows that in the Garut Regency Government environment most (56.46%) work1ng period has become a consideration of leaders in the determination of positions, According to Stephen P. Robins (2006.46) Ability (ability) is the capacity of individuals to carry out various assignments in certain jobs. All abilities of an individual are essentially composed of two sets of factors, namely intellectual ability and physical ability. According to Me Shane and Glinow in Buyung (2007 37) natural aptitude and learned capabilities are required to successfully complete a task (ability is natural intelligence and learned capabilities needed to complete a task). Intelligence is a natural talent that helps employees learn certain tasks faster and do them better. So the overall value means that an employee cannot be judged simply because of the length of the work period, but it will be more objective if the assessment is based on the ability and expertise based on the education that is owned, without excluding certain people who are given certain talents. So it will be more objective in evaluating if the leader in giving a position is more considering the ability of the employee concerned.

e. Rank

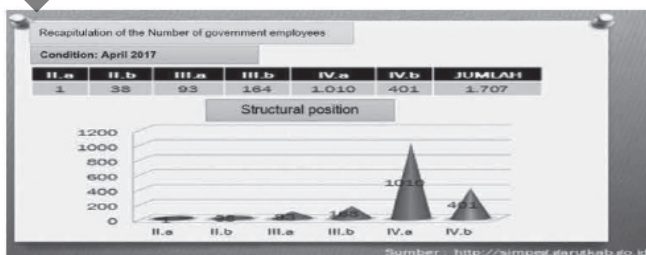
Civil servants' ranks / people are related to positions held and / or formal education they have. If a person's career system in the organization runs well can be seen from the harmony between the rank and position that is owned. If rank and position are not in line, there is a problem with the career of a civil servant or can the career system in the organization not work well Based on the data, it shows that (71,15%) rank has become a consideration for the leadership to determine the direction of a career in the environment of the Garut Regency Government. This means that the leadership in this Regional Government has considered the rank component in accordance with BKN Regulation Number 35 of 2011 concerning Guidelines for Preparing Civil Servant Career Patterns in the field of staffing known to the rank of PNS. The definition of rank in PP 711977 concerning the Regulation of government employee Salaries suggests that what is meant by rank is a position that indicates the level of a civil servant in a series of staffing. Employee is used as the basis for payroll in the meantime Drs.D.S Widodo in his book the main points

of Understanding Staff Administration Science suggests that rank is the position of a person in a series of all levels of staffing. While the notion of promotion according to experts promotion is something that is generally coveted by each employee (Manullang, 1997) So it can be concluded that the notion of promotion is a motivation or driver for civil servants to further increase their service in carrying out their duties. There is also a promotion which is an award given to PNS services related to the country. Promotional promotions are usually based on ability, seniority, exams, interviews a combination of these factors. In the Republic of Indonesia 'Law Number 8 of 1974 concerning the Principles of Staffing Appointment of civil servants in a position is carried out by taking into account the rank levels assigned to the position. The obligation that has been carried out by an employee is the main consideration for the employee to obtain an award from the leadership, which includes promotion in the form without ignoring the existing formation. The obligations of an employee generally include elements of loyalty, work performance, responsibility, obedience, honesty, cooperation, initiative and leadership:

The purpose of promotion of employees is:

- a. to provide encouragement or morale for employees in carrying out activities or office work.
- b. To reward employee services for the agency
- c. To provide opportunities for employees to develop better carry.

Table 4.5. Recapitulation of the Number of government employees



f. Position Experience

Experience can bring out one's potential to someone, People who are experienced in work have better work ability than people

who have just entered the workforce, because that person has learned from the problems that arise in the world of work. With the existence of work experience, there has been a process of adding knowledge and skills and attitudes towards someone. This can support self-development through existing changes. If someone already has good work experience, it can be promoted to occupy a position, so that the experience of the position obtained makes him able to solve the task in a new position, hoping to be more capable and skilled and able to carry out his job duties. In line with this, according to the law (law of exercise) it is revealed that in the law of exercise or the law of disuse (law of use) it is stated that "The relationship between stimulus and response will be stronger or stronger if it is often used (used) or often trained (exercise) and will decrease, even disappear altogether if rarely used or never at all ". Opinions from respondents about position experience are related to career determination: Experience in the position of the Garut Regency Government is something that is highly considered, because the average official in central agencies and those in vertical units in the area is the result of promotion and transfer and placement in certain regions and certain positions in this Regional Government. Experience in this context is not related to the level of seniority of an employee, although this is still debated. But more to the variety of office experience that has been occupied / held by an employee in the organization. Some observations assess that in promoting an employee, the leader is not only considering experience, but there is a kind of appreciation for his service to the institution. Based on the data we obtained (78.95%) work experience has become the consideration of the leadership of this Regional Government in determining their careers, then employees who have experience in certain fields are rolling into new places so that new experience and expertise can be gained scope of PU-work tasks; b) Education and training There are still trainees sending training participants who are not in accordance with the fields in need, then the opportunity to attend training for certain areas of southern Garut has not been fully accommodated, this has an impact on the lack of opportunities for promotion and lack of technical expertise in the area; c) Working period is one component in evaluating career

patterns and this of course can be used as a basis for determining one's career in an organization, the District Government has not fully considered the years of work in determining the position of an employee; d) The rank of a government employee is certain, which of course is related to the length of work, but it does not mean that someone who has a high rank will get a better career, because there are other components that must also be considered such as work performance. The Government of Garut Regency is fully considering the rank in determining the career of employees In the education office, many employees have class III (three), which of course makes the problem in coaching, because there is a higher rank of staff than their superiors so that staff are difficult to advance. It seems that this has not been regulated proportionally; e) The job experience of a civil servant is certain, but whether the experience can have implications for performance that can be seen from the speed and accuracy in completing work. This Garut Regency Government has no cadre formation of candidates who have been prepared; f) Job performance assessment is more interpreted as a record of work accomplished by someone as a success in carrying out tasks assigned to him based on skills, experience, and sincerity and time during a certain period of time. Promotion of positions in the Garut Regency Government has not considered work performance assessment, g) Position Competence. Definition of competence refers to the ability of people to fulfill the requirements of their current or future roles. Thus, competency is not only related to current performance. Competence can also be used to predict future performance because competency is a continuous characteristic that generally cannot be lost. Competence must be used to refer to the field of work where a person is competent Competence must be used to refer to the dimensions of behavior that underlie competent performance. Job competency can be interpreted as the ability of an employee in a particular field of work, in terms of job competency has become a concern in the Government of Garut Regency, but other components of career determination must be considered including the assignment, capacity of the number of positions must be in accordance with organizational development, opportunity same career and get the opportunity to compete in a healthy manner.

5. Conclusion

Garut Regency Government as one example of local governments that have career patterns with employee career systems have considered the elements as mandated by Garut Regent Regulation Number 69 of 2017 concerning Career Patterns of Civil Servants of the Garut Regency Government, but there are still those in the implementation. must be repaired. Constraints in structuring the career system of civil servants in the Garut Regency Government include the determination of careers not yet fully considering the expertise and capabilities, there are still training participants who are not in line with the field of work needed, the opportunity to participate in training for certain SKPD has not been fully accommodated, promotion in the District Government arrowroot has not fully considered work performance assessment. Career development is expected to contribute to the performance of the organization. Career development is a sustainable program so that in the implementation it requires a continuous learning process in order to support the success of improving organizational performance. Even though the reference has been made but in reality the application to the institution has not been fully implemented, where the organization guarantees certainty the direction of career development for the career starting from the lowest career to the highest career in accordance with the competence and work performance it has. As a recommendation, the author makes several policy recommendations including Each organization / institution develops a clear and measurable career pattern by taking into account the following aspects: 1) Position Analysis & Mapping; 2) Minus Growth Policy (Revenue <Amount); 3) Pension PNS every year; 4) Limitation Policy and / or Reduction of Employee Expenditures; 5) Monitoring and Evaluation and Redistribution / Reallocation of Civil Servants; 6) Preparation of Policy Promotion for Civil Servants with assessment centers, and / or functional training courses; 7) Preparation of Policies for Filling Open Jobs between agencies; 8) Determination of Competency Standards; 9) Capacity Building for Competency-Based Civil Servants; 10) Preparation of Individual Performance Measurement Policies; 11) Strengthening Functional Position (Addition in number, career pattern, capacity building, addition of allowances)

Suggestion

The Career Pattern Guidelines include the following

- 1) Contains a career path pattern or career path, namely the direction of one's progress in the field of work. Career paths are made complete by containing the names of positions that can be and may be occupied by an employee and the requirements to be able to occupy these positions. The pattern created will be a picture and guide for employees and organizations to find out where they can progress in their careers if they are "willing and able".
- 2) Contains corresponding clusters of positions, has similarities, and correlates in their functions and duties. This is important so that the direction of repositioning (promotion and mutation) of government employees is clearer and government employees themselves can conduct self assessments on the development of their careers in the future. Besides that, the organization will be more optimal and effective.
- 3) Contains and regulates recruitment, education and training, transfer patterns and promotions, pensions and dismissals.
- 4) There is a need for time restrictions related to tour of duty / minimum and maximum area (recommended 3-5 years) for an official to occupy a position, or one region. so that officials will later it masters the new task (for example for prospective head of field).

g. Job Performance Assessment

The position composition according to most has been in accordance with the development of the organization. All employees in this regional government have the same career opportunity and most employees have the 5) Specifically for positions in the Education, Health, Agriculture and Public Works Environment that have uniqueness in their fields of work, there is a need for fast-track (career path acceleration), which is more equitable, which is related to the same career period as other positions outside the field. 6) In order to be clear and measurable in the assessment, it is better that the tests carried out to employees are more quantitative and to better ensure the objectivity in the assessment should be fit and proferent tests, test assessments, and computer assisted

tests (CAT) so that the results are announced and follow up from the results of the test 7) Improve the quality and quantity of training and technical skills, especially those relating to expertise that leads to structural positions and functional positions, this is to provide stimuli for employees to choose their career paths. 8) The implementation of technical and structural training is carried out based on the needs of the organization 9) Personnel and Education and Training Agency to build a database on the development of training for Government employees in the Garut Kabupaten area so that training and training will be targeted, and develop professional, accountable, synergic, transparent and innovative human resources.

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THE EFFECT OF SECTORAL ECONOMIC TRANSFORMATION ON EMPLOYMENT ABSORPTION AND POVERTY LEVEL IN THE WEST NUSA TENGGARA PROVINCE

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The Effect of Sectoral Economic Transformation on Employment Absorption and Poverty Level in the West Nusa Tenggara Province Dyah Poespita; Dadang Suwanda

Abstract: West Nusa Tenggara is a progressive province from an underdeveloped region to develop as one of the national food barns, and is able to reduce poverty rates by an average of 1% per year for 10 years from 23.81% in March 2008 to 14.75% in March 2018, and increase the position of the Human Development Index from rate 32 to 26. The Inferential Statistics Method used in the data analysis of this study is WarpPLS, involving three exogenous variables (primary sector economic transformation, secondary sector economic transformation, tertiary sector economic transformation), one endogenous intervening variable (labor), and one pure endogenous variable (number poverty). The results of this study are that the transformation of the primary sector has a significant effect on employment in NTB Province, changes in the primary sector have an effect on employment, which means that if productivity in the primary sector increases, it causes an

increase in the number of workers in the primary sector. The transformation of the secondary sector has a significant effect on employment in the province of West Nusa Tenggara so that the transformation of the secondary sector affects employment. The results of the secondary sector analysis are lower than the primary sector, which means that the workforce that is accommodated in this sector has a lower percentage because the secondary sector has capital-intensive characteristics and workers are required to have special skills. The transformation of the tertiary sector has a significant effect on employment in the province of West Nusa Tenggara, changes in the tertiary sector affect employment, which means that an increase in productivity in the tertiary sector will increase the number of workers. The number of workers absorbed from production activities in the tertiary sector because most of the regions in West Nusa Tenggara Province are tourist attractions and workers who work in this sector are not required to have special skills and tend to be labor intensive. Worker absorption has a significant negative effect on poverty levels, that the increase in the number of workers absorbed in various sectors has an impact on poverty reduction in West Nusa Tenggara Province.

Keywords: Economic Sector Transformation, Labor Absorption, Poverty Rate.

1. Introduction

Development is basically a multidimensional process that involves major changes both in the transformation of economic structures, social change, reducing or eliminating poverty, reducing inequality, and unemployment through economic growth (Todaro 2006 in Sirojuzilam, 2008). The implications of economic development are expected to be able to increase employment opportunities, increase incomes and increase people's welfare (Sukirno, 2006) The implications of economic development are expected to be able to increase employment opportunities, increase incomes and increase people's welfare (Sukirno, 2006). Important indicators in analyzing the development of economic development that occurs in a country or region are economic growth and the process of economic structure transformation (Kuncoro, 2003). The development of regional economic activities is expected to be able to stimulate the growth of regional production of goods and

services so that it will have an effect on increasing the income per capita of the population and of course it will also have an impact on improving the welfare level of a region (Mankiw, 2003) Viewed from the main components of economic structure transformation is to include a gradual "shift" from agricultural activities to the non-agricultural sector and from the industrial sector to services. will lead to increased employment opportunities and labor productivity, capital stock, use of new resources and technological improvements will be higher, therefore, with the transformation the structure towards industry is expected to be able to absorb as many workers as possible.

Table 1
Realization of Sectoral Gross Regional Domestic Product (GRDP) Based on Constant Prices in 2010 In West Nusa Tenggara Province 2007 to 2015

Year	Sector			Total GRDP
	Primary	Secondary	Tertiary	
2007	28,623,804.05	6,808,180.29	21,032,949.02	6,464,933.36
2008	28,092,645.59	7,405,675.21	22,561,571.26	8,059,892.06
2009	32,396,061.37	8,398,249.76	24,312,146.89	6,106,458.03
2010	34,652,444.78	8,790,642.82	25,796,638.26	9,239,725.86
2011	30,604,573.93	9,221,732.55	27,552,833.92	7,379,140.40
2012	27,196,184.40	9,881,092.90	29,263,535.10	6,340,812.40
2013	28,201,245.92	10,343,613.70	31,221,854.81	9,766,714.43
2014	28,925,675.21	11,005,630.37	33,366,803.51	8,298,109.09
2015	41,842,838.33	11,644,767.50	35,379,140.73	8,866,746.56

Source. BPS West Nusa Tenggara Province, NTB In Year 2008-2016, data is processed

In table 1, the average growth rate from 2007 to 2015 for the primary sector is 6.07% with conditions that fluctuate from year to year. For the secondary and tertiary sectors, they were 6.97% and 6.72% respectively, with the development of a relatively stable increase. The growth rate of the contribution of each sector to Gross Regional Domestic Product (GRDP)/Produk Domestik Regional Bruto (PDRB) between 2007 to 2015, the primary sector has a value that tends to

decrease namely -0.57%, the secondary and tertiary sectors have a contribution rate that tends to be positive namely 1,26% and 1,06%. It can be said that there has been a transformation or shift in the economic structure in West Nusa Tenggara Province from the primary sector to the non-primary sector. This economic phenomenon is in accordance with the opinion of Arsyad (1999) who said that economic development as a process of structural change is characterized by an increase in the contribution of the industrial, manufacturing and services sectors in the formation of Gross Domestic Product on the one hand and a decrease in the share (share) of the agricultural sector in the formation of Gross Domestic Product on the other hand. In terms of population density, NTB Province is one of the provinces that has a relatively large population that can be utilized optimally and in harmony, as a potential driving force for development. The position of the population in economic development becomes important because economic growth itself is always related to population conditions (Lodde, 1999). The modern development approach is based on people centered development, which emphasizes that humans are the subject of development, so that humans view not only as a factor of production but view humans as individuals who must be enhanced in their capabilities in order to determine their life choices (Indratno, 2006). This is in line with UNDP (2003), human development is considered "a process of enlarging people's choices" even W Arthur Lewis, said "the greatest fruit that results from economic growth is not adding wealth but increasing human choice as the wealth of an area" The following is an illustration of the situation of the population in terms of population and workforce as well as labor which are potential as well as development challenges in West Nusa Tenggara Province (table2) (underutilized), because labor mobilization is not optimal (Todaro, 2006) People who work in these both sectors at first glance seem to work completely every day, but actually to complete the work that is usually handled, it is not necessary all day. This is certainly very influential on the output to be achieved because because these two sectors have a small marginal productivity value. According to (Ranis, 2004), the key to development is growth plus change where the equitable distribution of development outcomes and high economic growth are development goals that must be complementary. High growth rates without equitable development only create a weak economy and

human resource exploitatio. Mahbub ul Haq as quoted by Seeta Prabhu (2009) argues that a high GOP per capita does not always indicate a high level of community welfare. Inequality, poverty, and injustice that seem to co-exist with high per capita income, make the pattern of growth and development priorities of the government that has been going on, becomes questionable. Therefore, when talking about the success of development is no longer limited to existing measurement tools such as GRDB, per capita income, economic growth, but also has led to the object of development itself in the form of human development based on four pillars, namely productivity (Productivity), equity (Equity), Sustainability and Empowerment Related to above, income distribution is important Uneven distribution of income has a negative impact on economic growth, which in turn will also have a negative impact on human development in an area. The following is an illustration of the situation of the percentage of poor people and their poverty line in West Nusa Tenggara Province.

Table 2
2007-2015 in West Nusa Ten 1gara Province
Population Composition Year Total poor Percentage
According to the Population and Labor Force as well
Manpower in West Nusa Tenggara Province, 2007 to

Year	Male	Famale	Total Population	Labor	Workforce 2013
2007	2,043,689	2,248,802	4,292,491	2,086,446	1,901,182
2008	2,084,864	2,279,392	4,363,756	2,029,081	1,904,781
2009	2,119,538	2,314,474	4,434,012	2,098,638	1,907,380
2010	2,187,329	2,328,733	4,516,062	2,152,076	1,922,933
2011	2,220,007	2,361,811	4,581,818	2,072,782	1,962,240
2012	2,252,274	2,394,519	4,646,793	2,088,712	1,978,764
2013	2,244,721	2,385,581	4,630,302	2,094,550	1,981,842
2014	2,315,234	2,458,561	4,773,795	2,221,810	2,094,100
2015	2,345,811	2,489,766	4,835,577	2,255,879	2,127,503

Table 3
Number and Percentage of Poor Population

Year	Total Population	Percentage
2007	1,118,452	24,99
2008	1,080,613	23,81
2009	1,050,948	22,78
2010	1,009,352	21,55
2011	900,573	19,73
2012	852,640	18,63
2013	843,664	17,97
2014	820,818	17,24
2015	823,818	17,10

*Source: BPS West Nusa Tenggara Province, NTB 1n
Figures 2008-2016.*

Seen from table 2 the composition of the population above, half of the population is the labor force which is the productive age of that population. From 2007-2015, the average number of workers absorbed by various development sectors was 92%. However, if you look deeper, the actual total composition of the majority of jobs comes from the agriculture and services sectors, namely in government institutions, (BPS NTB, 2003: 34). People who work in both sectors can be called covert unemployment that is protected or can be linked to not working fully 2007 to 2015, NTB Province is a province that has a relatively high poverty rate in Indonesia with an average reduction rate of 4,6% per year. This also has an impact on the level of achievement of human development which is an important indicator of basic human capabilities in the region as a series of efforts to expand choices for humans. Kuncoro (2004), economic development through economic growth is a prerequisite for the achievement of human development because economic development must be able to guarantee increased productivity and increased income through creating employment opportunities. Regional economic growth without coupled with the absorption or

addition of labor will cause an imbalance in the distribution of additional income which will ultimately adversely affect human development in an area so that the poverty alleviation agenda is hampered (Bloom, 1999). The picture of Human Development Index (HOI) achievement in NTB Province which is an indicator of the success of the Regional Government is the West Nusa Tenggara Province HOI Figures in the last year condition namely in 2015 reaching 65,19 increased 1,36 percent from 2014 and is in the category of HOI with medium classification. When viewed from the ranking of achievements, NTB Province is in the position of 30 out of 34 provinces. This shows that the condition of human development in West Nusa Tenggara Province is relatively behind when compared to other Provinces in Indonesia.

2. Research Methods

This research uses a quantitative approach, where the analysis is carried out using secondary data. The variables in this study are primary sector economic transformation, secondary sector economic transformation, tertiary sector economic transformation, labor force, and poverty rate. This research is a type of explanatory research related to efforts to get an explanation of how to describe of the economic sector transformation in the provision of employment and poverty alleviation in the province of NTB. Explanatory research is concerned with examining the relationships between variables, or often referred to as discussion models. The population of this study is the entire region of West Nusa Tenggara Province for 9 (nine) years from 2007 to 2015. The data used in this study are secondary data, for example documents published from BPS, Bappeda, and the West Nusa Tenggara Province Manpower and Transmigration Office in a time series from 2007 to 2015. The data needed in this study are Gross Regional Domestic Product (GRDP) / Produk Domestik Regional Bruto (PDRB) data both contribution and growth rate of each sector including primary, secondary, and tertiary sectors in NTB Province: labor data in the form of labor force, labor force, and growth rate in each sector, consisting of primary, secondary and tertiary sectors in NTB Province: and poverty figures with data on the number and percentage, and the rate of poor population in NTB Province.

In this study using variables that are divided into three groups, namely:

1. Exogenous variables are variables whose diversity is not influenced by other causes in the system and are starter variables that affect other variables, in this case the sectoral economic transformation variable (X1)
2. Endogenous variables are variables whose diversity is explained by exogenous and other endogenous variables, in this case the poverty level variable (Y2)
3. Intervention variable is a variable whose existence is influenced by exogenous variables, and at the same time can affect other endogenous variables, in this case labor absorption variable (Y1).

Data analysis techniques using descriptive statistical analysis methods provide an overview of field data by interpreting the data into mean values and graphs. This descriptive analysis aims (1) to get a picture of the condition of the variables studied, namely the transformation of the primary sector economy, the transformation of the secondary sector economy, the transformation of the tertiary sector economy, the number of workers, and the level of poverty, (2) identifying the characteristics of each variable in the form average / average and graph. Inferential statistical analysis (hypothesis testing) focuses on the field of analytic study and interpretation of data to draw conclusions. This analysis is used to test the research hypotheses established using the sample data obtained. The Inferential Statistical Method used in the analysis of this research data is PLS Warp.

3. Results and Discussion

Economic development causes a country's economic change from being originally reliant on agrarian-traditional to industrial-modern. All of these development strategies lead to sectoral economic changes, which means that there is a transformation from one sector to another following the pattern of development that is applied. Sectoral economic transformation occurs through three stages (Rahardjo, 2005: 55): a) First, the contribution of the agricultural sector will be relatively declining, while other sectors will play a greater role in national production: b) Second, the total number of workers who work in the agricultural sector will increase even though the percentage decreases, while the

laborers who work in other sectors increase: and c) Third, the nature of production in all fields has also changed to become more industrial.

3.1. Effect of Primary Sector Transformation on Labor

Absorption

Testing the direct effect between the conditions of the primary sector (X1) on the number of workers (Y1), obtained a structural coefficient of 0.368, with a p-value of 0.003 < 0.05, then there is a significant direct effect between the conditions of the primary sector (X1) to the number of workers (Y1) The structural coefficient is positive, indicating that the relationship between the two is positive. That is, the higher the condition of the primary sector will result in a higher number of workers. The "PIJAR" program in 2008 was able to increase corn production rapidly from 196,263 tons to 641,489 tons in 2012. Based on data from the Ministry of Agriculture (Kementan), the production of yamung in NTB Province increased from 785.9 thousand tons to 909 thousand tons in 2015, then in 2016 it increased 1.2 million tons and reached 2 million tons in 2017. Some things that can increase corn productivity are followed by an increase in farmers' income, namely the sale of corn can provide benefits because the selling price of corn is above the HPP (government purchase price), minimal production costs, and fertilizing is done on time. Corn is chosen as one of the leading commodities of NTB for several reasons the main crop in dry land, the second crop after rice in wetlands, able to grow on all types of land and land conditions, easily cultivated, relatively safe from pests and diseases, and has high exchange rates compared to other plants (Herbawati, 2018). Some strategic steps determined to maintain the productivity and management of maize plants are to increase assistance in applying production technology until post-harvest: forming special task force from program planning to program supervision: building small-scale post-harvest facilities / infrastructure in certain areas, so that farmers have a fair sale value: and help with capital for farmers and traders. Other superior products that also contribute are livestock, especially cattle. For the community of NTB cattle has become part of the culture passed down from one generation to another, besides that NTB is a center and a major supplier of national meat needs. Indirectly, cattle farming is targeted and directed to meet national

meat needs, meet the demand for cows from other regions, and meet the consumption of NTB people. Data from the Directorate General of Animal Husbandry and Animal Health of the Ministry of Agriculture, NTB cattle farms were ranked 8th with a total of 685.8 thousand head in 2009, then increased to reach the 4th national rank with 1.12 million head of cattle or 6.8% of total national population. The cattle population in NTB experiences 8% growth per year, so NTB is the center of cattle farming. This high population growth was followed by an increase in farmer exchange rates (NTP), thus providing added value for farmers. Increasing primary sector production provides employment opportunities for existing workers so as to increase employment. Workers who can work in the primary sector are usually not required to have certain "skills", such as in NTB with an increase in land area for planting corn as well as an increase in cattle population, this will provide employment opportunities for people in NTB. Based on data for nine years from 2007 to 2015, showing that the contribution of the primary sector from year to year illustrates a downward trend which then increased again in 2015 and shifted to other sectors, NTB Province is an agrarian structural region, so the primary sector tends to contribute despite the percentage decreased. The decline in productivity of the primary sector in NTB Province is caused by (1) uneconomical land area, where land owned by farmers decreases because land is allocated for other activities or permanent land for labor increases; (2) land ownership fragmentation is generally farmers not land owners but only cultivators with a production sharing system; and (3) the use of obsolete production methods, namely by using traditional methods and not being touched by technology. This is consistent with the statement of Meier and Baldwin in Ernawati (2008: 122) that with the percentage decrease in the contribution of agriculture to gross domestic product (GOP) caused by several things, namely the imbalance between the number of workers compared with available land (more labor than land area), patterns inefficient land planting, low quality and ability of workers in the primary sector, low use of capital, inefficient production techniques, and regulating less efficient agricultural production. The results of the analysis of this research are in line with the opinion of Fisher and Clark in Ernawati (2008: 123) that, the position of the primary sector in the structure of GOP will decrease along with the economic development of a region. The rate

of reduction of the contribution of the primary sector in GOP depends on the rate of growth in the agricultural sector and other sectors, if the agricultural sector grows slower then the position of the primary sector will decline both in terms of GOP structure and employment Abipraja (2002: 68) that technological changes that occur affect the development of the agricultural and industrial sectors, which in turn can increase productivity so as to produce an increase in income which results in the transformation of resources including labor from primary to non-primary Furthermore, he said that technological change led to increased productivity and increased income which would cause a shift in employment and employment from the primary sector to other sectors This condition is in line with the Kuznets development pattern that the development process of each country experiences a pattern of significant changes in various sectors in contributing to national production, where the role of the primary sector in contributing to national production will decline and move to the secondary and tertiary sectors (Sukirno, 2006 :144). This is supported by Hess and Clark in Ernawati (2008: 125) once of successful development process has been initiated, however, agriculture tends to grow more slowly than the services and manufacturing sectors. Todaro (2006 53) with the progress of a country there is a very striking industrial progress when compared to the active role of the primary sector, then when productivity and education increase there will be a shift in the improvement of the service sector. The transformation of the sectoral economy from one sector to another is followed by the transformation of the workforce from the related sector, this is made possible by differences in wage levels and job availability Chenery with its growth theory states that the transformation of the economic structure is marked by the declining role of the primary sector from year to year and shifting to the secondary and tertiary sectors followed by the movement of labor from one sector to another (Sarwedi, 2001: 46)

3.2. Effect of Secondary Sector Transformation on Labor Absorption

Testing the direct effect between the conditions of the secondary sector (X2) on the number of workers (Y1), obtained a structural coefficient of 0,24, with a p value of 0,019 <0,05, then there is a significant direct effect between these conditions. from the secondary

sector (X2) to the number of workers (Y1) Positive structural coefficients, showing that the relationship between the two is positive. That is, the higher the condition of the secondary sector will produce a higher number of workers. Changes in the structure of the stages of the process of economic change from developing countries undergoing transformation from traditional agriculture to the industrial sector as the main engine of economic growth (Li, 2002) The increasing role of the industrial sector in the economy is in line with the increase in per capita income which is closely related to capital accumulation and increase in resources (Human Capital). On average, the contribution of the secondary sector is greater than the primary sector, where the contribution of the secondary sector is obtained from copper and gold mines located in West Sumbawa Regency. Data for nine years is coherent when compared between primary and secondary sectors, only in 2007 the primary sector had a growth rate of 0,02 while the secondary sector contributed positively while the primary sector declined and even reached negative The contribution of the secondary sector in Gross Regional Domestic Product (GRDP) tends to increase from year to year and even always makes a positive contribution, compared to the contribution of the primary sector. This condition is in line with the Kuznets development pattern that the development process of each country experiences a pattern of significant changes in various sectors in contributing to national production, where the role of the primary sector in contributing to national production will decline and shift to the secondary and tertiary sectors (Sukirno, 2006: 144). This is supported by Hess and Clark in Ernawati (2008: 125) once of succesfull development process has been initiated, however, agriculture tends to growth more slowly than the services and manufacturing sectors. The contribution of the secondary sector to higher GRDP and lack of employment shows that there is a significant negative effect of economic transformation on employment This shows that the higher the contribution of the secondary sector in the GRDP, the less the number of workers accommodated in this sector. The secondary sector is a sector that is more capital intensive, which places capital for various technologies that support production activities in the secondary sector. The use of machines with technology requires workers who have special skills and certifications through special education or training, so workers who do not have these specifications cannot work in the

secondary sector. The secondary sector is more specific in the level of work, which means that the workforce absorbed is workers who have the skills or abilities needed. The secondary sector that contributes significantly to the West Nusa Tenggara Province's GRDP is mining, where workers who can work in this business are workers with this specification. There are many jobs available but the majority of the workforce comes from outside the area or migrants, where the people of NTB are less able to compete because the resources they have are relatively low in terms of education and skills needed to join this job. Specifically, the growth theory presented by Chenery does not apply to this condition, that the transformation of the sectoral economy from the primary sector to the secondary sector and ending in the tertiary sector is followed by the movement of labor from one sector to another in a row. The reason for canceling the theory of growth is that resources, especially human resources, are lacking in support of the level of education and skills possessed by the local community. This can be seen from one of the gold mining industries in NTB that the majority of available labor usually comes from workers who have worked in other mining industries, because these workers have the necessary skills or expertise.

3.3. Effect of Tertiary Sector Transformation on Labor Absorption

The process of changing the structure of the economy tends to be marked by a decline in the share of the primary sector. On the other hand, it is marked by the increasing role of the share of the secondary sector (industry) and the share of the tertiary or service sector is more or less constant, but its contribution will increase in line with economic growth. the tertiary sector is to produce services from the final product of the secondary sector or manufacturing output from the output of the primary sector group output which is raw material into finished goods or output that will be felt by consumers (Crossman, 2000) The tertiary sector is a sector that is able to make a positive contribution to increasing the income of the community and Original Local Government Revenue (Pendapatan Asli Daerah/PAD) in West Nusa Tenggara Province, with its nature being so promising that the NTB Province does not give up opportunities to beautify nature and enrich treasury treasures. resources, so that many

visitors both domestic and foreign tourists who come to West Nusa Tenggara (Lombok Island) The island of Lombok has the advantage of the island of Bali, that is if tourists come to the island of Lombok, they will also discover Balinese culture, but if they come to Bali, they will not find the culture of Lombok The number of tourist visits to the island of Lombok has increased from year to year even with the receipt of the certificate "Halal Tourism" and the provision of easy access to visit tourist attractions with each other reflected in better public services, improved facilities and supporting infrastructure at each tourism location. Beautiful natural panorama with a geographical model of 2.333 km coastline, 280 small islands and eight volcanoes, has become a major factor in the development of tourism in NTB Province, the NTB Regional Government has prepared two tourist investment areas besides Mandalika namely Samota (Saleh Bay, Island Mayo, and Tabora) and Bandar Kayangan Global Hub. The government through the Ministry of Tourism is currently aggressively developing 10 "New Bali" including Mandalika, with the aim of increasing the portion of tourists who mostly visit Bali. Indonesia's tourism sector, especially 10 "Bali Baru" is projected to become the largest foreign exchange earner in 2019 worth US \$24 billion, surpassing the oil and gas and palm oil CPO (Crude Palm Oil) sectors. World Bank research says tourism is one of Indonesia's core businesses, because it is one of the largest contributors to gross domestic product (GDP), recipient of foreign exchange, and absorbing labor with the availability of the easiest and cheapest jobs. The Mandalika SEZ (SPECIAL ECONOMIC ZONE) is expected to accelerate the development of the NTB tourism sector and capture up to 2 million foreign tourists per year starting in 2019. This condition means that the tertiary sector provides many opportunities to accommodate workers with more comfortable levels of education and skills requirements compared to the secondary sector. The results of the analysis of direct and indirect effects show that the higher contribution of the tertiary sector will have an impact on reducing the level of poverty in the province of West Nusa Tenggara through employment in the tertiary sector for the community, so that people are able to increase their incomes and meet their daily needs by working in the field. new jobs in the tertiary sector The development of tourism areas by the NTB provincial government that is environmentally friendly (green development) outlines, that

development must be environmentally friendly and use local potential. The growth of the tourism sector moves above the national average with growth reaching 22% in 2017, followed by an increase in the number of tourism both from within and outside the country. This provides many job opportunities and opportunities by opening up job opportunities in several tourist attractions which of course must be equipped with the ability to use a foreign language. Therefore, the government created several programs for the community to anticipate tourism services, such as foreign language training (English, Chinese and Arabic). The NTB Provincial Government annually sends 30 to 50 people to practice foreign languages, mainly in English in collaboration with the Australian Government through ELTA (English Language Training Assistance). The data of tourist visits to NTB experienced a significant increase from 544.501 tourists in 2008 surging to reach 3,50 million tourists consisting of 1,43 million foreign countries and 2,07 million domestic visitors in 2017. The increase in tourist visits has a direct impact on opening employment opportunities by increasing employment, especially in the informal sector, followed by an increase in the number of workers from 2010 to 2015. A number of international achievements were achieved by the NTB Province Government in the tourism sector, namely the World's Best Halal Honeymoon Destination and the World's Best Halal Tourism Destinations at the 2015 World Halal Travel Summit in Abu Dhabi, United Arab Emirates (UAE). The NTB province is currently synonymous with halal tourism and is no longer the second destination after Bali, but the main destination is separated from the saying that NTB tourism depends on Bali.

3.4. Effect of Labor Absorption on Poverty Rate in NTB Province

Development is basically intended to improve the welfare of the community, to detect the success of development required measuring tools that are qualitative and quantitative (Ayunanda, 2013). One measure used to describe the welfare of society is the level of poverty, where the higher the level of poverty, the lower the welfare of the people and conversely the lower the level of poverty, the more prosperous people (Brata, 2005). Poverty chain (poverty circle) arises because of the low quality of resources which causes low productivity. Low labor productivity is one of the causes of poverty

because the lower the productivity, the lower the income received, this has an impact on lower savings and investment. Poverty traps will be repeated if productivity does not increase and there are no jobs available so work opportunities are increasingly limited. The rate of growth of poor population and the percentage of total population in the NTB Province has decreased from year to year for 9 years from the achievement of the realization of 2007 to 2015 with an average rate of decline of -0.036. The biggest decrease in the number of poor people occurred in 2011, amounting to 2.18% with a decrease rate of 0,108. This can be seen from the number of poor people in 2010 totaling 1.009.352 decreased to 900.573 in 2011. The poverty reduction trend in NTB Province occurred for eight years in a row starting in 2007 with 1,115.452 residents to 820.818 people in 2014, but this number increased again in 2015 to 823.818 people with a growth rate of 0,004. Various poverty alleviation programs were launched by the government, so the poverty rate dropped dramatically and extraordinarily from 23,81% in March 2018 to 14,75 in March 2018, decreased 38% or experienced an average reduction rate of 1% per year while nationally reducing poverty rate of 1% takes five years. The reduction in poverty affects the Gini ratio (an indicator of inequality in spending between residents) in NTB Province which is getting better. March 2018 The NTB Provincial Gini Ratio is 0,372 lower than the national Gini ratio of 0,389. This causes an increase in the HOI (Human Development Index) which increased to 66,58 in 2017, even the average HOI NTB grew 1,22% per year. Testing the direct effect between the number of workers (Y1) on poverty (Y2), obtained a structural coefficient of -0,725, with a value of $p < 0.001$, then there is a significant direct effect between the number of workers (Y1) about poverty (Y2). The structural coefficient is negative, indicating that the relationship between the two is negative. That is, the greater the number of workers will result in lower poverty rates. The

success of the government in reducing poverty is accompanied by various economic development programs through several programs namely strengthening Village owned business entity (Badan Usaha Milik Desa/BUMDES) rural businesses, Sustainable Food Home Regions (Kawasan Rumah Pangan Lestari). These various efforts are efforts to improve the economy in the tertiary sector, thereby opening up new jobs that can accommodate and absorb labor. The success of the

NTB Province in reducing poverty is done by cutting poverty from its root, namely the village, by using an integrated village database so that poverty program interventions are on target, while controlling the population through family planning programs such as maturation of marriage age, maturity of marriage objectives in the Province NTB is due to the high number of young marriages which have an impact on social problems such as high infant mortality, maternal mortality, and low child nutrition. Poverty is synonymous with health, indicators to assess this are adequate nutrition, life expectancy, infant mortality, and also maternal mortality. Several programs carried out by the NTB Provincial Government have a positive impact on society, in 2017 the average age of first marriage was 20,27 years, the prevalence of malnutrition was 22,6% life expectancy to 65,55 years, the proportion of stillbirth deaths decreased by 9,0 per 1000 live births, the proportion of maternal deaths 82,83 per 100.000 births. These figures explain that meeting nutritional needs will prolong life, where the fulfillment of nutritional and life needs means that people's purchasing power parity is increasing. Wulandari (2014) argues that purchasing power parity has a contribution to people's income, the availability of jobs in various economic sectors can increase the workforce so that it can provide employment opportunities for the community and generate income from work. Population poverty is measured by poverty depth index and poverty severity index. The poverty depth index is the average distance of expenditure of the poor to the poverty line. The poverty severity index is an inequality of expenditure among the poor, the smaller the index, the better the economic status of the poor population. Data for March 2017 for poverty depth index 3,13 and poverty severity 0,84. Provision of employment cannot be separated from the government's efforts to develop new entrepreneurs through the cooperative sector and small and medium enterprises, for 4 years from 2013 to 2017 formed 260 cooperatives, while 103.621 entrepreneurs covered the industrial and trade sectors, specifically in 2017 new entrepreneurs formed 1.240 person. The more people who work will reduce the unemployment rate, so that more people can meet their needs. As stated by Yanti (2011), the higher the productivity and production produced by the community, the higher the income earned, this has an impact on reducing the number of poor people and reducing poverty.

4. Conclusions

- 1) Transformation of the primary sector has a significant effect on employment in the province of West Nusa Tenggara. This shows that changes in the primary sector whether increasing or decreasing affect employment, which means that if productivity in the primary sector increases, it will lead to an increase in the number of workers in the sector and vice versa. Much of the workforce absorbed from production activities in the primary sector produces most of the territory in NTB Province because agricultural land and workers who work in this sector are not required to require special expertise and the primary sector is labor intensive (labor intensive).
- 2) The transformation of the secondary sector has a significant effect on employment in West Nusa Tenggara Province. This indicates that the transformation of the secondary sector will affect the employment of workers in the related sector. The analysis results get lower value than the primary sector, meaning that the workforce that is accommodated in this sector has a lower percentage because the secondary sector has capital-intensive characteristics and workers who work are required to have special skills and expertise. The growth rate of secondary sector contributions to GRDP tends to be positive and increasing from year to year.
- 3) The transformation of the tertiary sector has a significant effect on employment in the province of West Nusa Tenggara. This shows that changes in the secondary sector whether an increase or decrease has an impact on employment, which means that if productivity in the tertiary sector increases, it will cause an increase in the number of workers in this sector and vice versa. many of workers absorbed from production activities in the tertiary sector (seNices) because the area in the province of West Nusa Tenggara is a tourist destination and workers who work in this sector are not required to have special expertise because in the primary sector there is a labor-intensive (labor intensive) sector. The tertiary sector is an alternative sector that accommodates leaps from the primary sector. Data for nine consecutive years the tertiary sector contributed positively to the West Nusa Tenggara Province's GRDP (Gross Regional Domestic Product).

- 4) Labor absorption has a significant influence with a negative direction on poverty, that an increase in the number of workers absorbed in various sectors, primary, secondary and tertiary sectors will have an impact on poverty reduction in the province of West Nusa Tenggara, and vice versa if the workforce is working in various sectors has decreased in number, poverty rates will certainly increase both in number and rate of growth. Data on the number of workers in all sectors for nine years from 2007 to 2015 shows an increase, which means that the development carried out will be accompanied by a transformation of labor per sector that is able to open up employment opportunities and increase community income so that poverty levels decline.

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RECRUITMENT OF PROSPECTIVE CIVIL SERVANTS TOWARDS WORLD CLASS BUREAUCRACY IN INDONESIA

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Recruitment of Prospective Civil Servants Towards World Class Bureaucracy in Indonesia

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Abstract: The lack of civil servants who have integrity, understand information and technology, master foreign languages, have networks or networks, and have an entrepreneurial spirit are the basis of the research conducted. The research method is an approach method with descriptive-analytic method. The data used are primary data and secondary data. Literature study as one of the approaches in gathering material, data and information relating to the rules of acceptance of CPNS (Candidates for civil servants). Collection and field research (fact finding) is done by gathering opinions and perceptions from various related institutions, as well as practitioners related to the arrangement of CPNS recipients. The results of the study that 1) Recruitment of CPNS in 2018 has been carried out well as evidenced by the absence of community service being feared by the community, Therefore this recruitment

model with Computer Assisted Tes (CAT) can be sustainable for future CPNS admissions; 2) Weaknesses are still happening from the start of immature planning, making questions too difficult and implementation too narrow at the end of the fiscal year to be corrected for years to come;

- 3) Communication established between the local committee and the central committee during the preparation process for implementation until the completion of the test can resolve the conversation that arises.

Keywords: Recruitment of Prospective Civil Servants, World Class Bureaucracy

1. Introduction

To be able to compete in this fast-paced digital age, civil servants or civil servants must have world-class standards. Starting from the achievements, to his abilities. No wonder the recruitment of prospective civil servants (CPNS) will be increasingly stringent. For those who have mediocre abilities, don't expect to be a civil servant. What criteria are needed to become a civil servant? HR Deputy of the Ministry of Administration and Bureaucracy Reform (PANRB) Setiawan Wangsaatmaja, said the profile of civil servants (ASN) must be of high quality. "ASN must have integrity, understand information and technology, master foreign languages, have a network, and have an entrepreneurship spirit. These five factors will serve as benchmarks for ASN elections," he said at a press meeting in Sentul, Bogor., West Java, Wednesday (12/13-18) Arrangements regarding the nomination of Prospective Civil Servants (CPNS) are listed in article 58 of Law Number 5 of 2014 concerning State Civil Apparatus meant by the procurement of CPNS is the recruitment of new Civil Servant candidate (CPNS) activities carried out starting from Planning, Announcement, Application, Screening and Appointment of CPNS to be Civil Servants (PNS). In practice, recruitment of CPNS is always risky, meaning that in the long run CPNS will later be appointed as civil servants not only as an important asset of the organization, but also as an organization manager who will determine the effectiveness of the organization. In addition, the CPNS procurement process is full of risks from the practices of Collusion, Corruption, and Nepotism (KKN) conducted by certain parties. In other words, the CPNS procurement process often causes many problems

because of the large amount of public dissatisfaction with the CPNS procurement process carried out (Simanungkalit, 2008: 20). Recruitment is one of the strategic management functions of civil servants that must be carried out in an objective, transparent and accountable manner in the hope that quality human resources (PNS) can be obtained so that they are able to carry out their duties professionally. In the selection of CPNS receipts so far there have been many improvements and efforts have been made in the implementation of civil servant recruitment, but in reality the implementation of CPNS from year to year is still not satisfying various parties. LT Handoko stated about two types of errors that often occur during the CPNS admission process, the first is an unintentional administrative error caused by a bad system and poor committee quality. The second mistake is manipulation that is deliberately done by internal elements in government agencies (Endah Setyowati, 2008: 11). Law Number 5 of 2014 concerning State Civil Apparatus and Government Regulation No. 11 of 2017 concerning Management of Civil Servants mandates that the National Personnel Agency conducts and organizes ASN management nationally, in the area of technical considerations for the establishment, procurement, transfer between agencies, promotion agreements and promotion of ASN employee information retention which has been updated by the agency. The State Personnel Agency (Badan Kepegawaian Negara I BKN) is expected to be able to answer the demands of the community, which will produce civil servants who support professional duties and are responsible for completing government and development tasks, and are free from KKN. The occurrence of corruption in various central and regional government departments cannot be separated from the lack of an effective CPNS recruitment model so far. Transparency of CPNS acceptance process is one of the efforts that can be taken in order to restore public trust. Transparency in CPNS recruitment patterns is useful for providing accurate, fast and complete information to the public. Therefore the information was conveyed as a manifestation of government transparency in the CPNS recruitment process. The practice of KKN causes the quality of civil servants to be very low and invites them to devote themselves to the people but instead harms the people. The practice of KKN in the process of recruiting civil servants is the seed of moral illness and a step back in the competitiveness of the Indonesian nation's human resources. BKN is

an institution that organizes the management of Civil Servants which includes planning, development of PNS resources and staffing administration, supervision and control, organizing and maintaining staffing information together with the Ministry for State Apparatus Reform Birocracy (Ministry of PAN-RB), Ministries I Institutions and Regional Government in accordance with Presidential Instruction No. 112013 concerning Actions to Prevent and Eradicate Corruption in 2013, in order to develop a CPNS Selection system using a Computer Assisted Test (CAT) system to further ensure objectivity, transparency, accountability and KKN free on CPNS screening tests. This CAT method is a development carried out by the BKN in the recruitment and selection process, which is a competency-based recruitment system which is an improvement of the recruitment system that has been in force based on Government Regulation Number 98 of 2000 concerning PNS Procurement However, even though it has been implemented for a long time due to the lack of references describing the CAT system in the recruitment of CPNS, there are still many prospective registrants who do not understand how the implementation of CPNS and the admission process use the CAT system As is known, the Ministry of PAN-RB has launched the implementation of the CAT system in 2013, by issuing Circular No. B 2432/MPAN.RB/7/2013 concerning the Implementation of the CAT System in 2013 and 2014 CPNS Selection. The CAT system is described as being able to fend *off* KKN, because it has its own rules that need to be known by applicants in the registration process for acceptance of CPNS selection, although starting 5 (five) years ago the use of the CAT System in CPNS recrutmnt has not run smoothly. Technically, participants who take the CPNS Test will receive questions online so they will immediately answer questions. The answers given by CPNS Test participants will go directly to the server or data center and collected. Each participant will immediately know the score or the value of their exam results after they finish working on CPNS questions The CAT system also cannot be engineered because the computer system will directly check each participant's answer. This should be known by the test takers but the lack of references that explain the implementation of CPNS with the CAT system affects the smooth implementation of the recruitment procedure so it is necessary to improve the explanation of the implementation of CPNS with the CAT system through various media.

The socialization of recruitment procedures made the community understand the CAT system used in the recruitment of CPNS so that more people were interested in wanting to take part in CPNS recruitment. In 2018, CPNS receipts will be conducted simultaneously after almost 4 (four) years of the Central Government there is no CPNS reception which is usually done simultaneously at the Ministry / Institution level or in all Regional Governments, following the Moratorium by the Central Government did not receive the new CPNS in 2011 and the President reaffirmed it in 2014, Therefore, the plan of the Central Government will reopen CPNS revenue in 2018 at the same time is highly awaited by the public, the National Personnel Agency and in the area of the Regional Personnel Agency (BKD) as a government agency responsible for the management of state staff who carry out their functions as makers the policy in the field of staffing is expected to create professional, responsible, honest and fair civil servants in order to carry out their duties efficiently and effectively through a recruitment system that can meet the demands of the quality needs of HR-PNS. In order to respond to the negative public opinion on the CPNS acceptance method as described above, the Central Government Cq State Personnel Agency as Chairman of the National Selection Committee is determined to answer such concerns or allegations by recruiting CPNS at the entrance through testing, while the testing implementation is selected by using CAT patterns. This closes another method previously used for CPNS admission, namely how to recruit honorary staff into civil servants directly, but honorary staff can still participate in recruiting CPNS by taking part in testing with the applicant's age limit being limited to 35 (thirty-five) years. This has a profound impact on the region, on the one hand there is legal certainty for applicants whose status comes from honorary employees but on the other hand raises new problems namely the number of honorary staff who have long served and has exceeded 35 (thirty-five years) age cannot follow the testing, so that the accumulation of honorary staff in the region.

2. Theoretical Review

Every organization needs planning in an *effort* to obtain quality human resources. The planning is realized starting from screening activities until the appointment to become an employee so that each member of the organization can run in accordance with common goals.

A. Employee Recruitment

1. Definition of Recruitment

Recruitment plays an important role for an organization, especially a government organization. Employees are the most important resource and determine the success of an organization to achieve goals. To get quality resources, the recruitment process must be carried out effectively and efficiently. Malayu Hasibuan (2011: 40) explains that withdrawal (recruitment) is "an *effort* to find and influence workers to want to apply for vacancies in a company". Ambar and Rosidah (2003: 101) state that: In principle, so called recruitment is the process of finding and attracting applicants to become employees at and by certain organizations. Further recruitment can also be defined as a series of activities seeking and attracting job applicants with the motivation, ability, expertise, and knowledge needed to cover the deficiencies identified in staffing planning. Another similar meaning is stated by Simamora (1997: 212) which states that recruitment is "a series of activities seeking and attracting job applicants with the motivation, abilities, expertise, and knowledge needed to cover the deficiencies identified in staffing planning". The recruitment process will run in accordance with the expectation that more applicants can be obtained from above with support, abilities, expertise and knowledge for the needs of certain positions in the organization. Implementation recruitment must be informed to the public to ask as many registrants as possible. Harvey D. and Robert Bruce Bowin (1996: 90) provide that definition. Recruiting may be defined as the process of seeking, attracting, and identifying a pool of qualified candidates in sufficient numbers to fill current and future workforce needs. (Recruiting can be defined as the process of finding, attracting, and identifying groups of candidates who qualify in sufficient quantities to meet the needs of current and future workforce). Recruitment starts from the process of finding, attracting and identifying all prospective employees who register

and meet predetermined requirements. The results of the recruitment process will be taken by workers according to the number of short-term needs and for future needs. Gary Dessler (2008: 126) provides a resolution regarding the definition of recruitment: Recruitment of employees means finding and or attracting applicants to open an employer position. (Recruitment of employees means finding and attracting applicants for open positions to be employed) Recruitment chooses to find applicants to be placed in the required positions. Applicants want accurate information about work in a legitimate organization. The organization wants accurate information about what the applicants would look like if they were appointed as employees. According to Gomes (1995: 105) "recruitment is the process of finding, finding, and attracting applicants to be employed in an organization". Based on several definitions of recruitment, it can be concluded that recruitment is the process of finding, influencing, finding, and attracting as many prospective employees as qualified to meet the needs of the current and future workforce.

2. Recruitment Objectives

Every organization in conducting recruitment basically has certain objectives. To further clarify the purpose of recruitment, it is necessary to express the opinions of experts regarding the purpose of recruitment. According to Amirullah and Rindyah Hanafi (2002: 131): The purpose of recruitment is to provide enough manpower so that managers can choose employees who meet the qualifications they need. It is hoped that the workforce will be able to complete the tasks and work assigned to him in the most efficient way possible to achieve the goal. Recruitment is useful for managers to choose the best workforce available to be placed in the organization. This is intended so that new employees can contribute their creativity, energy, ideas and skills to the organization. According to Simamora (1997: 214) recruitment has several objectives, including the following:

- 1) To lure the majority of job applicants so that the organization will have greater opportunities to choose candidates for workers who are deemed to meet the organization's qualification standards.
- 2) the post-appointment goal is employee income which is a good implementer and will remain with the company for a reasonable period of time.

- 3) Improve the general image of the organization, so applicants who fail have a positive impression on the organization or company
Based on some expert opinions above, it can be concluded that the purpose of recruitment is to attract most job applicants to be chosen by managers based on the organization's qualification standards so that there are workers who can complete the tasks and jobs assigned to them. in the most efficient way possible to achieve organizational goals.

a. Recruitment Method

The method of employee recruitment will affect the number of prospective employees participating in the selection. Mangkuprawira and Sjafrri (2001: 96) suggest that the recruitment method is divided into two, including

1. Internal Recruitment Method (Internal Recruitment)

- a) Job Placement

In this method positions can be formulated through bulletins or company notice boards. Work placement procedures make employees strive to achieve a better position in the company
The information conveyed in the announcement covers the overall importance of issues related to work, such as job descriptions, education and training required, salary and whether the job is full time or part time.

- b) Expertise Inventory

Essentially, the inventory includes rosters of employees, education, current position, work experience, expertise and related work abilities and other qualifications. Companies can research through an inventory of expertise to identify potential candidates to fill vacancies in certain positions through computers

- c) Job Offer

The procedure specifically determines all jobs that are covered in the work that must be filled by qualified applicants from the company unit that offers it

- d) Employee Recommendations

An employee who recommends someone to be hired gets a little bonus.

b. External Recruitment Method

(External Recruitment)

a) Educational Institutions

Employee recruitment can come from educational institutions, ranging from general and vocational high schools to tertiary institutions.

b) Advertising

Advertising is one of the ways to attract prospective applicants. The media used are in the form of newspapers, magazines, scientific journals and other forms of media (such as radio). TV media is very rarely used because the cost is very expensive. Although the range is wider.

c) Government Agencies

Each government agency or work placement division is managed by the Department of Labor.

d) Agen Swasta Like any company, private agents actively seek out and even obtain information about Job vacancy from certain companies.

e) Company Searchers workers Executive

Search directly and contact employees who already have potential executives, either directly through active lobbying or indirectly face to face (by telephone and letter). Based on the employee recruitment method, it can be concluded that there are two types of employee recruitment methods, namely: internal recruitment methods (including: job placement, expertise inventory, job offers and employee recommendations) and external methods (including: educational institutions, advertisements, government agencies, private agency, and executive search company).

c. Recruitment Procedure

Prospective applicants must follow a series of recruitment procedures established by the organization as a step to become an employee. Nitisemito and Alex S. (1996: 49-50) explain the recruitment procedure through the following steps:

1. Submit a request letter, accompanied by attachments to the required requirements, for example:

- a) last diploma
 - b) Letter of good behavior from the police
 - c) Certificate from the Manpower Office (already registered at the Manpower Office)
 - d) Do not engage in forbidden movements e) Health certificate
2. After the application is submitted, it is given a sign that the application has been registered by an authorized official at the institution.
 3. At the time, the applicant concerned gets a call to take the exam, when the test will be held, and what exam will be tested. The method at the time of the exam can be in the form of:
 - a) Answering questions with essays
 - b) Checkpoints, choose the one that is considered the most appropriate of the several answers to be selected,
 - c) interview method
 - d) Acceptance of prospective employees is given to those who pass the final stage by holding a ranking that is limited in number to the number of prospective employees needed,
 - e) Their status is trial employees (interns), their nature is still a trial. If within the allotted time, is considered capable of working well, then appointed as permanent employees.

Based on the expert opinion above, it can be concluded that the steps to become an employee of an organization include: submitting an application letter, marking registered candidates, providing information about conducting selection tests, conducting tests, announcing exam results, and probation period.

d. Evaluation of Recruitment Results

The final stage in recruitment is the assessment or selection of applicants with the desired qualifications to fill vacant positions in an organization. According to Moenir (1982: 131) the selection process consists of two activities:

1. Determination of whether participants pass or not.
2. Calls for participants who have passed have been accepted to work in accordance with the qualifications and job requirements of the participant.

B. Method

The approach method in this research uses descriptive analytic method, which is a method that describes and analyzes data, facts, and information as well as provisions in various laws and regulations related to CPNS acceptance regulations. The data used in the form of primary data and secondary data from the results of data collection conducted through literature studies, public consultations / interviews with implementing officials and field research with locations in the Garut Regency Personnel and Training Agency. Literature study as one of the approaches in gathering material, data and information relating to the regulation of CPNS acceptance Literature study material in the form of studies and reviews of books, magazines, newspapers, websites, as well as other data on laws and regulations, state documents, research results, seminar papers, media news, and other data related to CPNS admission arrangements Collection and field research (fact-finding) is carried out by gathering opinions and perceptions from various relevant agencies, as well as practitioners related to CPNS recipient arrangements

C. Analysis And Discussion

a. Research Site Description

The Office of the Regency Employment and Training Agency (BKD) of Garut Regency is under and reports directly to the Regent through the Regional Secretary. Having the task of carrying out the main tasks and functions in the field of administration and management of personnel in the work area, To carry out these main tasks, it is outlined in the BKD's vision, mission and strategy as the organizing agency for staffing management. The management of state civil servants in the regions is committed to advancing and developing an effective and efficient civil service management and management system of the state apparatus that is able to encourage the improvement of the professionalism of the State Civil Apparatus (ASN) and the quality of public services so as to create good governance The vision and mission of the Garut Regency Personnel and Training Agency are illustrated as follows:

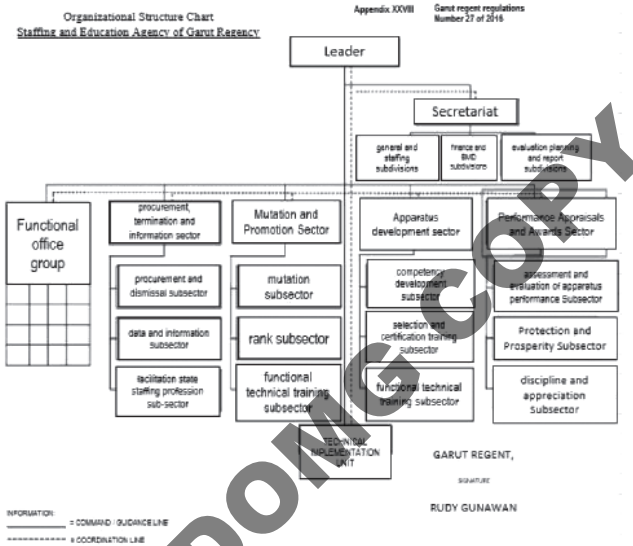
Vision:

"Realizing a Professional and Prosperous State Civil Apparatus"

Mission:

1. Creating professional, disciplined, creative and innovative civil servants;
2. Achieve a comprehensive and accountable employment service;
3. Improving the welfare of the state civil apparatus based on performance (Merit System).

Figure BKD Structure



Data Source Garut Regency BKD

Organizational Structure of the Regional Personnel and Training Agency under the coordination of the Assistant of the General Administration of the District Secretariat. Garut Staffing and Training Agency, consisting of

1. Head of the Personnel and Training Agency
2. Secretary of the Regional Personnel and Training Agency
 - a) Head of General and Staffing Subdivisions
 - b) Head of the Planning, Evaluation and Reporting Section
 - c) Head of Regional Finance and Property Subdivision.
3. Head of Testing, Termination and Information
 - a) Head of Procurement and Termination Subdivision.
 - b) Head of ASN Professional Institution Facilitation Subdivision.
 - c) Head of Data and Information Subdivision

4. Head of Device Development Division
 - a) Head of Competency Development Section.
 - b) Head of the Education and Training Subdivision for Training and Certification.
 - c) Head of Functional Technical Training Subdivision.
5. Head of Mutation and Promotion
 - a) Head of the Mutation Section
 - b) Head of Department Office.
 - c) Head of career Development and Promotion Section.
6. Head of Performance Appraisal and Evaluation Division.
 - a) Kassubag Appraisal Appraisal Performance and Awards.
 - b) Head of the Protection and Welfare Section. c) Head of Discipline and Discipline.

b. Garut Regency CPNS Needs

DETAILS PROPOSED ASN REQUIREMENT IN 2018							
development sector	EXISTING	PROPOSAL					Total
		executor	JF First	JF Young	JF Beginner	JF Skilled	
Education							
- kindergarten (Taman Kanak)	124						-
- primary school (Sekolah Dasar)	7150		137				137
- Junior high school (Sekolah Menengah Pertama)	1811		237				237
- Senior High School (Sekolah Menengah Atas)	-						-
- Vocational high School (Sekolah Menengah Kejuruan)	-						-
- Extraordinary school (Sekolah Luar Biasa (SLB))	-						-
Health							
- General practitioners	62		55				55
- Dentist	15		17				17
- Specialist / Sub	32		13				13
- nurse	999					159	159
- Midwife	910					12	12
- Laboratory analyst						4	4
- Infrastructure Development Workers	102	33				1	34
- Financial Analyst		74					74
amount	2,120	107	85	-	-	176	742

c. Garut Regency CPNS Quota

Garut Regency currently has 15,373 civil servants 1251 non-civil servant contract workers with contract labor's status and K2 honorary

workforce category 4,359. The proposal submitted by Garut Regency to the Central Government was 1315 people and 628 people were approved, then the Ministry of Administrative and Bureaucratic Reform (PAN RB) and State Personnel Agency (BKN) in conducting CPNS selection had issued several regulations namely:

1. Regulation of the Minister of Administrative and Bureaucratic Reform of the Republic of Indonesia Number 36 of 2018 concerning Criteria for Determining the Needs of Civil Servants and the Implementation of Selection of Prospective Civil Servants in 2018.
2. Regulation of the Minister of Administrative and Bureaucratic Reform of the Republic of Indonesia Number 37 Year 2018 Regarding the Threshold Value of the Selection of Basic Competencies for Procurement of Prospective Civil Servants in 2018.
3. Regulation of the Minister of Administrative and Bureaucratic Reform of the Republic of Indonesia Number 61 Year 2018 Concerning Optimization of Needs / Formation of Civil Servants in the Election of Prospective Civil Servants in 2018.
4. Decree of the State Personnel Agency No. 8 of 2018 concerning Procedures for the selection using the Computer Assisted Test (CAT) method.
5. Based on the above regulations, it appears that the CPNS quota in Garut Regency is 654 CPNS with the following arrangements:
 - a) Specific criteria 274 CPNS are intended for teachers and health staff with applicants from ex-K2 in 2013 maximum age of 35 years, certified before November 2013 and the person concerned did not pass the test in 2013.
 - b) The general criteria of 390 CPNS are intended for non-teachers with applicants from the community
 - c) The test is carried out by setting:
 - For special categories as mentioned in point 1, only 1 (one) time test is used, namely the basic ability test, while for
 - For general categories, 2 (two) tests are conducted, namely the basic ability test and then the field ability test
6. Determination of graduation is based on the Passing Grade or value of graduation from Basic Competency Selection. For the procurement of 2018 Prospective Civil Servants,

7. Selection of Basic Competencies for Prospective Civil Servants in 2018 include
 - a) Personal Characteristics Test (TKP / Tes Karakteristik Pribadi);
 - b) General Intelligence Test (TIU Tes Intelegensi Umum); and
 - c) National Insight Test (TVVK Tes Wawasan Kebangsaan).

The threshold values for electing basic civil service candidates in 2018 are as follows:

- a) 143 (one hundred forty-three) for the Personal Characteristics Test;
 - b) 80 (eighty) for the General Intelligence Test; and c) 75 (seventy-five) for the National Insight Test
8. Selection threshold for Basic Civil Servant Candidates in 2018 for participants who register on a special type of formation, namely:
 - a) Cumulative Value of Basic Competency Selection for the Son/ Daughter of the Best Graduates with Awards (Cumlaude) and Diaspora at least 298 (two hundred ninety eight), with the lowest TIU score of 85 (eighty-five);
 - b) Cumulative value of Basic Competency Selection for Persons with Disabilities of at least 260 (two hundred sixty), with TIU scores as low as 70 (seventy);
 - c) Cumulative value of Basic Competency Selection for Children of Papua and West Papua of at least 260 (two hundred sixty), with a TIU score of at least 60 (sixty);
 9. The cumulative value of Basic Competency Selection for Teachers and Medical/ Paramedic Personnel from Honorary Workers Form-11 is at least 260 (two hundred sixty), with a TIU score of at least 60 (sixty);
 10. Cumulative value of Basic Competency Selection for formation of Specialist Doctors and Aviation Instructor positions of at least 298 (two hundred ninety eight), with TIU scores in accordance with Passing Grade; and the cumulative value of Basic Competency Selection for the formation of Measurement Officers, Rescuers, Shipmen, Volcano Observers, Lighthouse Guard Guards, Animal Trainers/Handlers, and Guard Prisoners of at least 260 (two hundred sixty), with TIU scores.

d. Procedure for CPNS Recruitment

The CPNS recruitment for the Garut quota in the 2018 fiscal year was carried out under the coordination of the West Java Regional III BKN Office starting from the determination of the selection place to the field implementation, for the test place based on the results of the meeting deliberations arranged wrth the following division:

1. For Bandung Regency, West Bandung Regency, Bekasi Regency and Purwakarata Regency, they are located in Bandung Regency, located at Telkom University;
2. For the Province of West Java, Sumedang Regency, Karawang Regency, Bandung City,
3. Subang Regency, Cimahi City and Sukabumi Regency are placed in Bandung City, located in Sport Jabar Arcamanik.
4. Bogar Regency, Bogar City, Bekasi City and Sukabumi City are located in Bogar Regency, Tegar Beriman Government Complex.
5. Tasikmalaya City, Tasikmalaya Regency, Garut Regency, Banjar City and Pangandaran Regency are located in Tasikmalaya City, the location of the city's multipurpose buildings;
6. For Cirebon City, Cirebon Regency, Majalengka Regency and Indramayu, they are placed in Cirebon City, located in the radians hotel;
7. For the City of Depok organizes itself independently.

e. The Recruitment Process with the CAT System

Computer Assisted Test is the method chosen by BKN in the selection using computer aids to get the minimum standard of basic competency for CPNS applicants. CPNS Basic Competency Standards are needed to realize the professionalism of Civil Servants. In its application, CAT has the aims and objectives namely:

1. Speed up the inspection process and test reports
2. Making standardized national exam results
3. The organizer is carried out one door namely BKN

f. Supporting Facilities and Infrastructure

CPNS recruitment using the CAT system requires facilities and infrastructure including:

1. Participant registration room: used for registration of CPNS test participants conducted by the institutional committee.
2. Participant verification room used to verify / ensure the correctness of the identity of participants who will conduct basic ability test (Tes Kemampuan Dasar / TKO), which is carried out by the committee of the institution.
3. Storage area: an area used for entrusting entrants' belongings such as bags, cellphones, and others. Test takers are not permitted to carry any items other than test cards and 10 cards.
4. CAT waiting room: the room provided for test takers before entering the CAT room. In addition participants were given the opportunity to prepare themselves before taking the exam.
5. CAT station Room: a room used for conducting tests for participants in the CAT selection exam. The CAT room consists of a client PC connected to a local / LAN network. In this room LCD projectors and audio systems are available which are used for briefing the participants before the test
6. Monitoring Room: used to monitor the implementation of the test, the monitor screen is available in the room to see the test results of the test participants. In addition, this room is also a place to monitor the implementation of tests per session and for the signing of test results per session.
7. Server room: room for locating servers and local network devices. The server room must be placed specifically because for data security and only certain officers are allowed into the room. The server room must have an Uninterruptible Power Supply (UPS) to secure the server from power outages / blackouts.

g. Recruitment Procedure

Prospective applicants must follow a series of recruitment procedures established by State Personnel Agency (BKN) with the following CPNS recruitment procedures:

1. Applicants register online at the BKN portal and print proof of participant registration to be used in the document validation process at the agency
2. Applicants send the required application documents to the agent submitted along with the participant registration number

3. The registration officer at the agency verifies the completeness and correctness of the application documents, according to the participant data that has been entered in the portal.
4. Applicants ask for CPNS Exam Participant Number to the local selection committee if the application file is declared complete and correct.
5. Applicants take the TKO exam at the time and place determined by the local selection committee.
6. Applicants can see the acquisition of basic ability test (Tes Kemampuan Dasar/TKO) values through the web or available media. For participants who have passed the TKO exam, they are entitled to take the TKB test if it is carried out by the proposed institution.
7. Each participant fills in the attendance list, submits a Test / Invitation Participant Card and Identity Card as a prerequisite for the initial verification process
8. Each participant entrusts all luggage, except the participant's number card and National Identity Card (KTP)
9. Before participants begin the test, they will be given guidance on technical instructions for using the CAT application.
10. BKN officials are asked to match photos of participants on their KTPs and Cards, strict protection is also carried out during testing In addition to participants and supervisors, a maximum of two people from BKN are prohibited from entering.
11. During the Test provided two monitor screens, monitor I displays the condition of the room through CCTV and Monitor II displays the grade values that are passed
12. After the Basic Competency Test (TKO) process is complete, participants can immediately see the test results on the announcement board that has been provided

h. Implementation of Testing

In the selection process the following steps are carried out

1. Committee Preparation

Implementation of TKO using CAT is carried out among other steps

- 1) The CAT Committee conducts a coordination meeting with the agency that will carry out the selection of CPNS with the CAT system.

- 2) The CAT Committee checks the infrastructure by conducting a test run before the actual test is held.
2. Verification of participant data
Each participant fills in the attendance list, submits a Test Participant Card / Invitation Letter and Identity Card as a prerequisite for the initial verification process to ensure that those who take the test are truly participants according to valid evidence.
3. Participant Registration
After completing the attendance list, each participant entrusts all luggage including communication equipment / cellphone, except participant's number card and National Identity Card (KTP). All participants' belongings are put into an available locker and then given a storage number, then participants wait in the waiting room before entering the exam room.
4. Technical Direction
Before participants begin the test, they will be given a briefing on technical instructions for using the CAT application using a video of about 10 minutes in length and given additional guidance. The video explains how to work, use and if something goes wrong
5. Final verification
Before taking the test, BKN officials must match the photo of the participant on the KTP and the Test Card with the actual participant to avoid the jockey, strict guarding is also carried out during the test. The examination room with a capacity of 300 (three hundred) computer units must be sterile, meaning that in addition to participants and supervisors, a maximum of two people from BKN are prohibited from entering
6. Monitoring Tests
During the test, three monitor screens are provided, monitor 1 displays the condition of the room via CCTV and two monitor screens display passing grade values.
7. Announcement of Exam Results
After the TKO process is complete, participants can immediately see the test results on the announcement board that has been provided.

i. Evaluation of Recruitment Results

TKO test results in the recruitment of CPNS CAT system at BKN Regional Office III West Java has not been the final result in determining whether or not the participants pass the screening test. In contrast to the theory of Moenir (1982:131) which states that one of the recruitment evaluation activities is determining whether or not the participants pass the screening test. The results of the TKO test processing from the BKN Regional Office Regional Office III West Java will be submitted to the National Selection Committee (Panselnas) to be combined with the TKO test results from all of Indonesia at the same organizing agency. The authority to announce TKO test results rests with the National Committee. BKN is only the executor and facilitator in recruiting and evaluating recruitment in terms of service quality in an effort to improve the quality of future recruitment activities. The BKN Regional Office evaluates recruitments using the Service Satisfaction Index. During this time, the community responded positively to the recruitment of CPNS using the CAT system.

Discussion

The recruitment of CPNS in Garut Regency was held in Tasikmalaya using the CAT system running smoothly although there were some problems that emerged during the 8 (eight) days of implementation. Garut Regency itself to test basic competence gets a time allocation of 3 (three) days, namely Monday to Wednesday 3 to 5 November 2018, every day there are 3 (three) sessions with a total number of participants 360 (three hundred sixty) participants. After the selection process, it turned out that only 118 people fulfilled the requirements or as much as 18% of the quota set, this was very far from expectations especially because the implementation was seen from a large enough budget, then for the next testing session, namely competence in the field of waiting for the decision of the central committee. The central selection committee finally made a policy to reduce the value of Pasing by issuing Regulation of the Minister of Administrative and Bureaucratic Reform of the Republic of Indonesia Number 61 Year 2018 regarding Optimization of Meeting the Needs / Formation of Civil Servants in the Selection of Civil Servants of Civil Servants in 2018.

Minister of PAN RB Syafruddin issued Regulation of the Minister of Administrative and Bureaucratic Reform (Permenpan) Number 61 of 2018 to capture more public servants. (CNN Indonesia / Christie stefanie) In his statement mentioned that the issuance of Regulation of the Minister of Administrative and Bureaucratic Reform (Peraturan Menteri NeQara Pendayagunaan Aparatur Negara Dan Reformasi Birokrasi / Permenpan) Number 61 Year 2018 is an effort of the government to meet the needs of civil servants in ministries, institutions, or regional governments. The consideration is the level of difficulty of the Basic Competency Selection (SKD) Candidates for Civil Servants (CPNS) 2018 which is very high compared to the SKD questions of the previous year. On that basis, the impact on the number of participants who passed the 2018 CPNS admission is limited. Through Permenpan Number 61 Year 2018, SKD participants who do not reach the passing grade or threshold value do not automatically fall. They can still proceed to the Field Competency Selection (SKB) stage, with the condition that they will be ranked the best of the cumulative SKD figures set by Permenpan 6112018. The Basic Competency Selection (SKD) test for CPNS selection itself is divided into three sub-tests namely the National Insight Test (TWK), General Intelligence Test (TIU), and Personal Characteristics Test (TKP). Previously for applicants through general formation must meet the threshold value of 143 for the crime scene, 80 for TIU, and 75 for TWK. However, for other formations the cumulative value and TIU value apply at a minimum. Furthermore, thanks to Permenpan Number 6112018, SKD participants who do not meet the threshold value, the following SKD cumulative value provisions apply

- a. The cumulative value of the General Formation SKD is the lowest of 255 (two hundred and fifty-five)
- b. The cumulative value of SKD General formation for the position of Specialist Doctor and Aviator Instructor is at least 255 (two hundred and fifty five)
- c. The cumulative value of the General Formation SKD for the position of Measuring Officer, Rescuer, Ship's Men, Volcano Observer, Lighthouse Keeper, Animal Trainer / Handler, and lowest Detainee Guard of 255 (two hundred and fifty-five)
- d. The cumulative value of the SKD formation for the Son / Daughter of the Best Graduates (Cumlaude) and the Diaspora is the lowest of 255 (two hundred and fifty five)

- e. The cumulative value of SKD formation is for persons with disabilities as low as 220 (two hundred and twenty)
- f. The cumulative value of SKD formation for the Son/Daughter of Papua and West Papua is at the lowest 220 (two hundred twenty)
- g. The cumulative SKD value for the formation of Teachers and Medical / Paramedical personnel from Form-11 Honorary Staff is at least 220 (two hundred and twenty).

Article 4 Permenpan 6112018 states that the provision applies that there are no SKD participants who meet the threshold value based on Permenpan Number 37 of 2018 or that the number of SKD participants who meet the threshold number 37 of 2018 is inadequate. Permenpan 6112018 also regulates the possibility of participants having the same cumulative SKD value. In this case, the determination is based sequentially starting from the Personal Characteristics Test (TKP), General Intelligence Test (TIU), and the National Insight Test (TWK) "If there are participants who have the same TKP, TIU, and TWK values, and are within the limit of 3 (three) times the allocation of formations, all participants with the same value are included, "with the change in Permenpan, finally 549 participants were selected, in Garut.

From the information obtained above, we can find several records, including:

1. Tracing since the beginning of the selection there are a number of conditions raised by the institution that are received so rigidly that applicants have difficulty fulfilling them;
2. Graduation factors that pass the level are too high, so that most applicants are almost 82% unable to achieve it;
3. Organizational factors, highly procedural Oversight from the Financial and Development Supervisory Agency (BPKP) that must be protected including:
 - a) Question the rules required when posting a question on the server whether special police escorts are required.
 - b) Asking whether the rules of procedure and also the scheduling schedule per session for TKO test participants includes SOP.
4. External factors originating from the organizational environment The division of time and location into 5 (five) places and information delivered before the selection process makes it difficult for districts / cities to support activities with local budgets in addition to being very far from the regency / city of origin.

5. CAT Application

- a) The application of CAT installed before the selection process and no trials conducted previously caused traffic jams at the beginning of the selection process to be hampered by an increase in applications that took 3 (three) hours, so the implementation of the selection time was delayed;
- b) Communication between the central and regional committees that is less solid causes the schedule for selection between districts / cities and the center to cause misunderstandings and have an impact on the implementation of conflicting selections.

6. Determining the time and place of implementation carried out at the end of the fiscal year makes it difficult for local governments to determine the budget that needs to be allocated.

7. Solution

CPNS recruitment using the CAT system is a national flagship program that needs to be developed in a sustainable manner. Implementation of CPNS recruitment using the CAT system is still experiencing various obstacles, so various efforts have been made to overcome these obstacles, including:

- a) Communication is carried out between the local committee and the central committee to determine what has been agreed so that applicants can fulfill it;
- b) There is a change in the rules governing passing grades to be lower, so applicants can achieve them;
- c) Requested at the central BKN in the form of the referred SOP soft copy
- d) Dissemination and outreach to various institutions related to the implementation of the CAT Test
- e) Coordination meetings are held between local committees to determine what needs are needed and how much budget is needed.
- f) Preparation of implementation instructions /technical instructions by the Head of BKN as technical guidelines for CPNS recruitment test implementing committee
- g) Applicants who pass the Basic Competency Test at more than one institution are subject to punishment or the National Selection Committee will determine the placement

- h) Training for the Regional Office CAT committee on the CAT system problem management application
- i) Solutions for institutions that want to use the CAT system but have inadequate facilities can ask the BKN Regional Office as a facilitator.
- j) Agents who wish to use the CAT system can request the BKN Regional Office as a facilitator.

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Conclusion

Considering the discussion of research resus. several conclusions can be made including:

1. Recruitment of CPNS in 2018 has been carried out well as evidenced by the absence of KKN that has been feared by the public so far, therefore this recruitment model with CAT can be continued for future CPNS acceptance;
2. Weaknesses still start from inadequate planning, making questions too difficult and implementation that is too narrow at the end of the fiscal year to be corrected for years to come;
3. Communication is established between the local committee and the central committee during the process of preparation for implementation until the completion of testing can solve problems that arise.

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6

IDEAL FORMATS FOR SELECTION OF REGIONAL HEADS IN THE FUTURE AS A DEMOCRACY SETTLEMENT REQUIREMENT IN INDONESIA

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Ideal Formats For Selection of Regional Heads in the Future as a Democracy Settlement Requirement in Indonesia

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Abstract: This study aims to examine and analyze the ideal format of regional head elections in the Indonesian constitutional system in the future. The problem in this research is to examine how the ideal format of regional head elections in the Indonesian constitutional system in the future. This study uses a normative method with steps of description, systematization and explanation of the content of positive law by using the concept approach,

the law approach and the historical approach with systematic synchronization analysis. The results showed that; The ideal format for the election of regional heads in the Indonesian constitutional system in the future is in accordance with the Constitution of the Republic of Indonesia, namely the 1945 Constitution that the form of state adopted by Indonesia is the Republic, as a consequence of a Republican state, sovereignty is in the hands of the people. The implication is that the filling of state political office such as the position of regional head is carried out directly by the people through a general election. To emphasize and maintain the consistency of the presidential government system, filling the position of regional head as leader of the regional government is done through direct elections, not by parliament (DPRD). Based on the constitutional juridical argument, filling the regional head in the future should continue to maintain the formulation where the regional head is elected directly by the people through the election.

Keywords: Ideal Format of Regional Head Election, Form of Organizing Democracy.

1. Introduction

The current of globalization is so strong by bringing the ideals of liberalization, so that the form of democracy can be seen in the current regional head elections held directly by the people. Before the amendment to the 1945 Constitution

the general election of the regional head was carried out by the Regional People's Representative Council (DPRD). But after the changes in the 1945 Constitution, began to appear clearly the democracy desired by the people of Indonesia. It can be seen from the increasingly free person to issue an opinion as in the implementation of regional elections directly by the people.

Amendments to the 1945 Constitution have brought about changes in the Indonesian constitutional system, especially at the regional level. One of the changes in state administration at the regional level is about filling the position of regional head. Article 18 paragraph (4) of the 1945 Constitution states that: "Governors, Regents and Mayors respectively as heads of These two interpretations can also be seen

again during the formulation of Article 18 paragraph (4) of the 1945 amendment of the second year 2000. The formulator of Article 18 paragraph (4) shows the difference between the formulator of Article 18 paragraph (4) of the 1945 Constitution, but it appears that the constituents of amendments to the 1945 Constitution, especially Article 18 paragraph (4) agree that the election of the Governor, Regent and Mayor is conducted democratically.

The current of globalization which is so strong by bringing about the understanding of liberalization, has made the form of democracy visible in the implementation of the current regional head elections carried out directly by the people (Drafting Team of the Indonesian MPR Secretariat General, 2008: 82). Before the amendment to the 1945 Constitution the head of the region was elected by the DPRD, but after the amendment to the 1945 Constitution, it became clear that democracy was wanted by the people, namely the direct election of the regional head by the people. The reason is that direct regional head elections can improve the quality of national leadership because there are more opportunities for the emergence of national leaders who come from below or the regions, however the choice to directly elect regional heads does not guarantee that direct elections are the best for electing regional heads. Also with the election of regional heads through the DPRD as was done so far during the reign of the New Order and at the beginning of the era of reform, both of these systems have advantages and disadvantages.

On the other hand there are those who want an election through representation in which the regional head is elected by the DPRD, this is because in Pancasila democracy what stands out is the principle of deliberation and consensus, so that the regional head election does not need to be done directly, it is simply done through the DPRD. The long debate over the implementation of regional head elections whether directly elected by the people through more democratic elections or elected by more democratic members of the DPRD or whether the regional head was better appointed by the President both have weaknesses and advantages. This problem is then the writer tries to give thought about the most appropriate format for regional head elections in accordance with Indonesian democracy based on Pancasila and the 1945 Constitution by selecting the title; Ideal Formulation of Regional Head Election in the Indonesian State Administration System.

In organizing elections, it is necessary to have an oversight to ensure that the elections are really carried out based on the principles of elections and legislation. To oversee the implementation of general elections, especially regional head elections, regulated in Article

70 of Law Number 15 Year 2011 "Regency / City Panwaslu, District Panwaslu, Field Election Supervisors, and Overseas Election

Supervisors are formed no later than 1 (one) month before the stages firstly, the holding of an election starts and ends no later than two months after all stages of the election have been completed. So it is clear that pure democratic elections are a form of people's collective statement of sovereignty and an irrevocable right of citizens, these rules are recognized in national constitutions everywhere in the world as well as in human rights instruments and international law.

2. Research Methods

This research is a nonnative legal research by conducting a study of three layers of legal science, namely dogmatic law, legal theory and legal philosophy. (Bahder Johan Nasution, 2000: 16). The method used in this research is the conceptual approach, nonnative approach and historical approach. Legal material consists of primary legal material, secondary legal material and tertiary legal material. Primary legal material consists of legislation relating to the problem discussed, namely legal material that has binding power because it is issued by the government. Secondary legal material is material that provides an explanation of primary legal materials such as the Draft Law, the results of research, or the opinions of legal experts. Tertiary legal materials are materials that provide instructions and explanations for primary legal materials and secondary legal materials such as dictionaries (laws), encyclopedias and others. In analyzing legal materials, researchers do so by taking an inventory of all statutory regulations and legal materials relating to the holding of elections for regional heads and local government. The next step is to systematize all legislation and legal materials that have been inventoried to further interpret norms that have been systematized by axiomatic and hermeneutic thinking with the starting point of philosophical thinking.

3. Literature Review

3.1. Freedom of Choice Theory

Human freedom will face a limit, this then requires a person to make a choice. When humans choose or the fall of decisions arises human consciousness, because basically humans realize themselves autonomously from the first time he recognizes himself. He accepts himself and becomes himself with his uniqueness. He is autonomous and independent. Human freedom is an ability to give meaning and direction to life and his work, the ability to accept or reject the possibilities and values that are continually offered to him. The thing that needs to be understood is that there is an effect on human beings, which later affects human freedom which in the philosophical world is called autodeterminism, which is in determining choices, humans are determined by factors outside their own abilities, such as mixing social conditions, while on one side humans also autonomously also determine their actions (Anton Bakker, 2000: 99).

John S. Mill groups freedom to: First; Freedom which encompasses the realm of inner power, that is, consciousness which demands freedom of conscience in the broadest sense, namely freedom in thinking and feeling, absolute freedom of opinion and sentiment for everything that is practical or speculative, which is scientific, moral or theological. Freedom to express and announce his opinion. Second is freedom associated with individual power. Third; is freedom that is related to other people. (John Stuart Mill, 1996: 202).

According to Jean Paul Sartre that human ties are freedom and human freedom is absolute, (Harun Hadiwijono, S, 1980: 162). freedom is only owned by humans alone. (Dwi Siswanto, 2001: 58). It is said to be absolute because this is a condition for human development and self-development or is called human reality is free, basically and completely free. (Jean-Paul Sartre, Being and Nothingness, 1956: 11). While freedom appears in the fact that humans are not themselves, but are always in a situation of being themselves. Situations where humans are required not to stop at themselves but rather try to change themselves. This effort is accompanied by various decisions on choices that humans can choose themselves. In this endeavor humans act alone without others helping or being with them. He must make his choice for himself and for all humanity.

Humans are free to determine what is the essence of himself and this determination is done by making choices. However, the freedom to make this choice is accompanied by a deep fear, because with that choice humans declare their responsibility not to themselves but also to others. The early man is aware that he exists, it means that man realizes that he is facing the future, and he is aware he is doing so. This emphasizes a responsibility on humans. (Ahmad Tafsir, 2001: 226-227). When man realizes he is dealing with something, realizes that he has chosen to be, at that time he is also responsible for deciding for himself and all people, and at that moment humans cannot escape from overall responsibility. In addition to self, humans are also required to be responsible for the natural world. Man is fully responsible, even for nature, because his feelings are shaped by his own actions. In relation to each other as part of the reality of human existence that exists freely together, Jean Paul Sartre believes that one's freedom must also take into account the freedom of others as he said; I must not make my freedom a goal without simultaneously making the same thing with the freedom of others. So I am free, but in my freedom, I should also provide opportunities for others to express their freedom. (Vander Weij, P.A.: 149-150). In the context of freedom of choice, giving meaning to life and the living world will become possible. In this context freedom of choice is absolute and is the essence of human life.

3.2. Political Position Theory

Political recruitment or political representation plays an important role in a country's political system. This is because this process determines who will carry out the functions of the country's political system through existing institutions. On the other hand, we can find a definition or understanding of political recruitment that pays more attention to its functional point of view, namely "The process by which citizens are selected for involvement in politics". The above understanding explains that political recruitment is a process that involves citizens in politics. Therefore, whether or not the objectives of a good political system are achieved depends on the quality of political recruitment. The presence of a political party can be seen from the ability of the party to carry out its function. One of the most important functions possessed by political parties is the function of political recruitment. As expressed by

political expert Ramlan Surbakti, that political recruitment includes the selection, selection and appointment of a person or group of people to carry out a number of roles in the political system in general and the government in particular. For this reason, political parties have their own way of recruiting, especially in the implementation of the recruitment system and procedural system carried out by these political parties. Not only that the recruitment process is also a function of finding and inviting people who have the ability to take an active part in political activities, namely by going through various screening processes.

In the realm of democracy, Political Parties are one of the important institutional instruments of implementing a modern democratic political system. Modern democracy presupposes a system called representativeness, both representation in formal state institutions such as parliament (DPD / DPRD) and representation of people's aspirations in party institutions. This is different from direct democracy as practiced in Classical Greece, modern democracy as an indirect democracy requires the media to deliver political messages to the state (government). The media in the form of these institutions are what we usually call political parties and their existence must be regulated in the modern state constitution. Given the function of political parties that are so important, their existence and performance is often an absolute measure of how democracy develops in a country. Although it is not an implementation of a government, its existence will affect how and in what direction the implementation of government is carried out.

Cadre formation in any organization is the pulse for an organization. Cadre formation is the process of storing Human Resources (HR) so that later they become leaders who are able to build the roles and functions of the organization better. In cadre training, there are two important issues. First, how the efforts made by the organization to increase the ability of both skills and knowledge. Second, is the ability to provide a cadre stock or organizational HR, and is especially focused on young people. This is a form of political education, where so far the role has been ignored. But what happens a lot now is a haphazard selection process without certain methods carried out by political parties, it can be seen that the political parties do not strictly select who will be the people's representatives later. The leaders of major political parties in Indonesia often come not from their qualifications.

3.3. Social Conflict Theory

According to the law, conflict is defined as a struggle to obtain rare things such as values, status, power and so on where their conflicting objectives are not only to gain profits but also to subdue their competitors. Conflict can be interpreted as a conflict of power and interests between one group and another in the process of struggling for economic resources, political interests, social inequality and relatively limited cultural differences. (Robert Lawang, 1994: 53). From the various meanings above it can be concluded that conflict is disputes, disputes and conflicts that occur between members or the community with the aim of achieving something that is desired by challenging each other with the threat of violence. social conflict is a form of social interaction between one party and another party in the community which is characterized by mutual threatening, pressing, and mutually destructive attitudes. Social conflict is actually a process of meeting two or more parties that have the same relative importance to things that are limited. In its extreme form, the conflict takes place not only to maintain life and existence, but also aims to the degree of destruction of the existence of other people or groups that are seen as opponents or rivals.

In every social group there are always seeds of conflict between individuals and individuals, groups and groups, individuals or groups with the government. This contradiction is usually non-physical. But it can develop into a physical collision, violence and not in the form of violence. Many people argue that conflicts occur because of the struggle for something that is limited in number. There is also the opinion that the conflict arises because of the imbalances in society, especially between the upper classes and lower classes. In addition, there are also differences in interests, needs, and goals of each community member.

3.4. Conceptual Framework

The ideal formulation of regional head elections for the future is in accordance with the Indonesian constitutional system which relies on the Pancasila and the 1945 Constitution. Individuals Towards Effective Local Government (Retno Saraswati, 2011). Likewise with research conducted by Suharizal (2014). with the title Implications of Direct Regional Head Election on the Growth of Democracy and the Way of

Government in the Regions. In line with that, Tubagus Iman Ariyadi (2015) conducted a study entitled *The Role of Kiai in the Election of the Governor of Banten Province*.

From various previous studies, both research as described above and academic research published in various research journals, in general, highlight and partially examine regional head elections, such as the constitutional rights of individual candidates in regional head elections, regional head elections in directly as the implementation of popular democracy, and examine the role of informal figures such as kiai and jawara in local elections. While the research conducted is a research that has multiple legal predictions by holistically examining existing rules, to find a legal thinking about how the ideal formulation for the holding of local elections in the future in the Indonesian constitutional system.

3.4.1. Regional Head Election

The regional head election referred to in this study is the regional head election as referred to in Act Number 1 of 2015 concerning Determination of Government Regulation in Lieu of Law Number 1 of 2014 concerning Election of Governors, Regents and Mayors Into Acts as contained in Article 1 number 1 that states; Election of Governors, Regents and Mayors, hereinafter referred to as Elections, shall mean the implementation of people's sovereignty in the Provinces and Regencies / Cities to elect Governors, Regents and Mayors directly and democratically.

The experience in Indonesia so far shows that there are at least five formulations for filling the position of regional head namely First, the regional head is elected indirectly, but only appointed or appointed by officials above him. Second, the Regional Head is indirectly elected as a level Article 15 of Law No. 5 of 1974 concerning Regional Government. Third; Regional heads are elected indirectly as stipulated in Article 34 of Law no. 22 of 1999 concerning Regional Government. Fourth; Regional heads are appointed by the DPRD. Fifth; Regional heads are elected directly by the voters through the elections as stipulated in Article 24 paragraph (5) and Article 56 of Law no. 32 of 2004 concerning Regional Government jo. UU no. 12 of 2008 concerning Amendment to Law No. 32 of 2004 in conjunction with Article 1 number 4 of Law No. 15 of 2011 concerning Election Organizers.

4. Results and Discussion

4.1. Observing the Implementation of Previous Elections, To Look For the Ideal Format of Regional Head Elections in the Future

Since independence on August 17, 1945, the 1945 Constitution provides a description that Indonesia is a democratic country. In its leadership mechanism, the President must be accountable to the MPR in which the MPR is a body elected from the people, so that in the hierarchy the people should be the holders of state leadership through the representative mechanism chosen in the election. This conception reflects the realization of people's sovereignty with a democratic system. According to Affan Gafar 2004: 10) in the history of Indonesian politics, there are four kinds of democracy that have ever prevailed in Indonesia, namely democratic government during the revolution of independence, representative democracy, guided democracy, and Pancasila democracy.

The state administrators at the beginning of the independence period had a very large commitment in realizing political democracy in Indonesia. Democracy of the government during the revolution of independence lasted quite a long time, namely from 1945 to 1949, there were some fundamental things which laid the basis for democracy in Indonesia during this period, namely the overall Political franchise. It means that the nation's formers had from the beginning had a very large commitment to democracy, so that when independence was taken, all citizens who were considered adults had the same political rights, without any discrimination originating from race, religion, ethnicity, and regionalism. A president who is constitutionally elected and to avoid the possibility of becoming a dictator, limits his power by forming a Central Indonesian National Committee (KNIP) to replace parliament. While in the administration of democracy, with the Vice President's Decree Number X issued on September 3, 1945, it was possible to form or be given the freedom to establish a number of political parties. Thus theoretically the Information is considered to be the foundation for the party system in Indonesia, for the next period in the history of Indonesian politics with the implementation of liberal democracy. The development of democracy in Indonesia has gone through a long history, ideas and ways have been tried and

put forward to meet the demands of democratization in Indonesia. Efforts to meet the demands of realizing democratic governance, for example, can be seen from the presence of the formulation of the Indonesian democratic model in two eras of government, namely the old order and the new order. In the era of the Soekarno government, it was known as the guided democracy model, then later in the Soeharto era the democratic model that was implemented was the Pancasila democracy model. However, let alone having a democratic government, the democratic model offered in the two Indonesian government regimes, instead gave rise to an authoritarian government, which bound the political freedom of its citizens.

The rolling of the reform movement has given rise to several changes, including in the matter of organizing the 1999 elections. The multi-party system of the 1999 elections actually proved that the Indonesian people in previous periods had been shackled by their political aspirations, because in the course of the existing political parties they were incompatible with people's aspirations, the existing parties only maintain the status quo. The emergence of many political parties with diverse segments and ideologies proves that Indonesia is actually not politically blind even though the electoral system is still proportional without including the name of the candidate on the ballot, but the election during the reform period became a fair competition for election contestants.

The 1999 election was held by the KPU which consisted of 48 members from political party elements and 5 representatives of the government. In holding elections, the KPU is also assisted by the KPU General Secretariat. The central election organizer is carried out by PPI whose number and elements are the same as KPU. For regional level implementation, PPD I, PPD II, PPK, PPS, and KPSS are implemented. Overseas implementation is carried out by PPLN, PPSLN, and KPSSLN whose membership consists of representatives of political parties participating in the election plus several representatives from the government and community leaders.

The next election was held in 2004, this 2004 election had a very strategic meaning for the future of the Indonesian people because it was a test of momentum for the continuation of the reform and democratization agenda. If the multiparty system election in 1999

marked the transition to democracy, the 2004 election would be a momentum for the recovery of popular sovereignty. In contrast to the elections in 1999, the 2004 election in terms of institutional elections there was a change in which the composition of the KPU was no longer like the 1999 election. KPU based on Law No. 12/2003 no longer included representatives from political parties and the government, in addition, the KPU had enormous authority both the authority to prepare and carry out elections, including providing election logistics. The party system in the 2004 election offered many choices to the people and the people were quite critical in making their choices, even though the 2004 election was colored by various complexities, but in general the 2004 election system was better than the previous election. Voters can determine their own choices both party choice and the choice of their representatives, the electoral system by selecting parties, legislative candidates, candidates for President and Vice President can create a strong control of the people over their representatives in the legislative and executive institutions, so that later representatives are elected directly by the people will be able to carry out the functions of state government power.

The success of the general election in 2004 and the election of the President and Vice President which was the result of elections held directly by the community, is a manifestation of the success of the democratization process in Indonesia. The 2004 elections were very difficult and complicated, perhaps even the most difficult that could have been carried out in Indonesia without conflict or division, considering that Indonesia was still in a democratic transition. The 2004 election was a milestone in Indonesia's democratization which was then continued through subsequent elections with improvements that were deemed lacking. The 2009 general election as the third election after the reform became the hope of the Indonesian people to select truly qualified leaders by involving all the interests of the community, so it was natural that all parties hoped that the 2009 elections would be far more qualified and better than the previous elections. However, many parties consider that compared to the holding of the 1999 and 2004 elections, the 2009 elections actually declined in quality both in terms of the number of cases and the number of participation because the number of cases in the 2009 elections increased compared to 2004.

The 2009 election was the third election during the reform period which was held simultaneously on April 9, 2009 to elect 560 DPR Members, 132 DPD Members, and DPRD Members participated by 44 parties, 38 parties were national parties and 6 parties were Aceh local parties. The 2009 general election is the second general election that still applies direct elections to the President and Vice President. Qualitatively, the 2009 presidential election is indeed still a lot of weaknesses, shortcomings, and imperfections caused by various factors, including; First, the weakness lies in Law Number 42 of 2008 governing the Presidential Election. The law is considered to be too fast to accommodate the use of the Population Registration Number (NIK) as one of the requirements for the preparation of the voter list, while the population administration is still not orderly.

The second weakness is that the KPU as the organizer of the presidential election is too easily influenced by public pressure, including by election participants, so that it seems to be incompatible and less professional as well as lacking in maintaining its image of independence and neutrality. The third weakness, comes from the legal awareness of citizens to use their voting rights, including managing registered and whether they are voters, so that the number of citizens who have the right to vote and even registered in the voter list, but not using their voting rights is still quite a lot. Then the last weakness, the culture of being ready to win and ready to lose in an elegant election has not been internalized by election participants and their supporters.

4.2. Direct Election Is an Ideal Format of Organizing Regional Head Elections in the Future.

In the reform era of the 1945 Constitution amendments have been carried out in which elections have been instituted for members of representative institutions and government leaders, dispute resolution of election results, and election organizing agencies. But in the beginning the elaboration of the regulation left new problems in the field of constitutional matters, namely regarding the arrangements for electing members of the DPR, DPD, President and Vice President, and DPRD who were elected through elections in accordance with Article 22E paragraph (2), while for the election of the Governor, Regent, and the Mayor (Regional Head) is democratically elected according to Article 18

paragraph (4). Why are there two terms "elected through elections" and "democratically elected". Are democratic regional head elections a part of the general election?

The problems faced now with the General Election are various kinds regarding inefficiency, budget waste and horizontal conflicts. The discussion discourse started from being re-elected by the DPRD to the governor while the regent / mayor remained through the election. The use of the term "democratically elected" gives rise to multiple interpretations. In the science of law and the science of State Law there is a so-called legal interpretation if the text of a regulation raises multiple interpretations, then legal interpretation can be made, including grammatical, systemic, and historical. (Jimly Asshiddiqie, 2006: 273-313). When viewed from the grammatical side, the term democratic confuses what mechanism is applied. Democracy is only a process, but who chooses this becomes a problem. Systemic is to interpret with the logic of construction such as the principles and consistency with other arrangements.

From this systemic point of view, in the same article and amendment of the same year why the DPRD was formulated was elected through general elections while regional heads were democratically elected. Whereas in the next amendment the President is directly elected. In the election institutionalization system there should be election consistency. Therefore, from a systemic point of view the regional head should be interpreted as being chosen through direct elections. At that time it was not immediately formulated to be elected through direct elections because they did not yet know whether the president would be directly elected, and also gave flexibility because there were regional heads who were not elected based on the special law, namely Yogyakarta. From a historical perspective, that is to see from the history of the formulation or formation of the provisions. From the minutes of the session, we can know the purpose of democratic formulation. (Drafting Team for Comprehensive Manuscript Process and Results of Amendments to the 1945 Constitution, 2010). By doing a historical review of the amendments to the 1945 Constitution it can be seen that the first time the Regional Head was democratically elected was delivered by FPDIP at the PAH I BP MPR session which discussed the formulation of Chapter VI on May 29, 2000. In this FPDIP stated that the government had not yet implemented the Article 18 of the 1945

Constitution as it should. Government is carried out centrally with pressure and coercion. Regional Head Elections at all levels are carried out with full engineering and only prioritize formal figures and ignore informal figures. To prevent the repression of coercion and coercion practices, FPDIP proposes to be explicitly stated with the formula: "Autonomous Regions have democratically elected Heads of Regional Governments whose implementation is regulated by law". (Drafting Team for Comprehensive Manuscript Process and Results of Amendments to the 1945 Constitution, 2010). It is clear that what was meant democratically according to the FPDIP at the PAH I BP MPR session above was to end the practice of regional head elections which had been carried out through engineering and the practice of government pressure and coercion on democratic mechanisms to elect the current regional heads.

On the other hand regional government arrangements tend to make uniformity, whereas in the explanation of Article 18 of the 1945 Constitution founding fathers stated in the territory of Indonesia there are approximately 250 *zelfbesturende landschappen* and *volkgemeenschappen* such as villages in Java and Bali, Nagari in Minangkabau, and so on. Therefore, the Daulat Ummah Party (FPDU) faction believes that Article 18 can no longer regulate the overall regional government let alone arrange regional and central relations. Furthermore, the FPDU proposes amendments to Article 18 which contains eight items, including the second item "Every autonomous region has a DPRD elected by the people in an election" and the fourth item "Each region has a regional government head or regional head directly elected by the people". Regional Heads elected directly by the people proposed by FPDU should be understood as FPDU formulates DPRD members who are also elected by the people through elections, thus regional heads elected by the people are elected through elections.

Referring to the historical interpretation of the *pilkada* in a democratic manner is nothing but directly elected. In the third amendment that formulated Article 22E it turned out that the election was explicitly intended to elect the President, DPR, DPD, and DPRD. The provisions of Article 18 (4) which formulate democratically elected are in fact left until the end of the fourth amendment. Thus, according to the 1945 Constitution the amendment results chosen democratically are interpreted directly chosen. (Ramlan Surbakti, Didik Supriyanto and

Hasyim Asy'ari, 2011). However, based on sociological considerations, namely relying on the condition of society, political development, consideration of greater sociological interests can also be used as a legal interpretation. But this use has been separated from the systemic and historical formulation of the relevant provisions, because it only looks at the sociological development of society. (Ram lan Surbakti, Didik Supriyanto and Hasyim Asy'ari, 2011). Based on that the ideas of the regional head were returned to the DPRD chosen as a sociological interpretation, not a logic of legal consistency and not based on the historical purpose of formulating the provision.

Elections to elect regional heads directly are a means of building a basis of legitimacy for regional heads. Considering that DPRD members are elected directly by the voters through the election especially since the DPRD member election formula is now determined by the acquisition of the most votes, to balance the DPRD legitimacy basis, then the regional head's legitimacy basis should also be built through the election. The running of regional government required political stability. To maintain political stability this requires a balance of political power between the regional head and the DPRD. (Agussalim Andi Gadjong, 2007: 105). In the event that the regional head is elected by the DPRD, the consequence is that the DPRD will be given authority to hold accountable and dismiss the regional head before his term of office expires. Whereas as one of the characteristics of the presidential government system is the existence of certain terms of office (five years) as stipulated in Article 7 and Article 22E paragraphs (1) and (2)], and if the regional head is elected and dismissed by the DPRD it is feared that it will fall into political instability and leads to the parliamentary system. Experience throughout the application of Law No. 22 of 1999 proves this. To avoid political conflict between the regional head and the DPRD which is prolonged, and to maintain the political stability of the regional government, the regional head should be directly elected.

In the case of filling the position of Governor as the head of a province carried out by the Provincial DPRD, in addition to having the potential to cause conflict, it will also cause a problem of the legitimacy of the Governor before the Regent / Mayor if the Regent / Mayor is elected directly through elections. In order to carry out the task of coordinating the Regent / Mayor, the Governor must have

strong political legitimacy. In the event that the Governor is not directly elected by the voters through the election, and is not also elected by the DPRD, but is appointed / appointed by the President, then there is a constitutional problem. The problem is that the province is an autonomous region, not an administrative region, where the autonomous region has the authority to regulate itself, including in choosing regional heads, not appointed / appointed. If filling the position of Governor through being appointed / appointed, the constitutional problem must be addressed first, namely changing the status of the province no longer as an autonomous region. (HAW Widjaja, 2009: 221).

The idea of maintaining direct elections through elections is not free from criticism. There are three criticisms that are often raised, namely relating to the high cost of post-conflict local elections, the still rampant money politics and violent conflicts that characterize the post-conflict local election. Against the emergence of a number of these criticisms, the following answers can be given: (Ramlan Surbakti, 2013). First, it deals with expensive post-conflict local elections. Efficiency in financing the implementation of post-conflict local elections can be realized through simultaneous local elections. Election of members of the Provincial DPRD and Regency / City DPRD are held on the same day / date, time, and TPS as the elections of the regional head and deputy head of the provincial region and regional head and deputy head of the district / city area. This savings not only occurred in the honorarium of KPPS, PPS and PPK officers, but also in other expenditure sectors from three times to one local election. Local elections will simultaneously reduce the cost of the campaign because the campaign will be held by a coalition of two or three political parties for the election of members of the DPRD and the election of regional heads and deputy regional heads (provincial and district/city). The biggest campaign expenditure so far has not been to finance various forms of legal campaigning under the law, but to "rent a boat" to be nominated by a political party or a combination of political parties, and buy votes directly or through intermediaries. Second; relating to incumbents tend to use positions for personal campaigns. In the media coverage, it has been revealed that there are at least two modes used by the incumbent for the benefit of his personal campaign, namely social assistance funds and village development assistance. Regulations regarding this matter are

not entirely located in the Election Law, but also in other laws and regulations. The assumption that should be held is not "humans are basically good" so it does not need to be regulated, but "whatever his background, humans can do good but can also do bad". Because it is needed arrangements to encourage good tendencies and prevent bad tendencies. The implementation of democracy must be guided by the law. Regulations regarding procedures for using social assistance and allocation of development budgets must be formulated in more detail so as to encourage incumbent's good behavior and prevent incumbent's bad behavior. Third: violence in some areas is not entirely related to post-conflict local elections. At least two things can be stated regarding the phenomenon of violence in several regions. First, the tensions caused by the disparity between communities are actually due to the lack of adequate channels from the various institutions that are supposed to play a role. Political parties that have seats in the DPR and DPRD as formal political representations (they are elected through elections to represent the citizens) are the ones who should accommodate and fight for the aspirations of these people. What is troubling is that political parties feel innocent every time there is political violence in the region. Second, elections are institutionalized conflicts. This means that the procedures and rules of competition between those who strive to obtain and those who strive to maintain seats / positions are regulated in a complete, clear, and consistent manner based on direct, general, free, confidential, honest and fair, transparent and accountable principles.

Elections governed by laws like this are called institutionalization of conflict. Institutionalization of conflicts like this is intended not only to get elected candidates, but also so that competition takes place peacefully without violence. One or more aspects of this institutionalization that may not have been effective in preventing violence. Filing a lawsuit against the results of the elections to the Constitutional Court should be seen as the willingness of the community to settle disputes over the results of civilized (legal), not with violence. Therefore, the number of claims against the election results cannot be interpreted as a weakness, but a positive phenomenon.

5. Conclusion

1. The Regional Head Electoral Institution as a sub-system of the government system has a very important position in maintaining the process of organizing the regional head elections by carrying out the implementation of regional head elections independently by using overflow and jurdil principles. The position of the organizer of the regional head election in Indonesia was originally in the regional government regime which was named the Regional Election Commission (KPUD) which was responsible to the Regional House of Representatives. The position of this institution then changed from what was originally in the regional government regime according to the provisions of Law Number 32 of 2004 and through Law Number 22 of 2007 entered into the electoral regime with national, permanent and independent positions.
2. The mechanism of organizing regional elections as a manifestation of the people's right to conduct democracy is a method or procedure that regulates and allows citizens to choose regional heads from and for themselves, meaning that those who elect or who wish to be elected are also part of an equal entity from the region concerned .. This mechanism is closely related to the rules and procedures of changing or transferring votes to political positions such as governors, regents and or mayors. Election of regional heads is considered as the most real form of democracy and the most concrete form of participation (participation) of the people in the administration of government in their regions.
3. The ideal form for the election of regional heads in the Indonesian constitutional system in the future in accordance with the constitution of the Republic of Indonesia 1945 Constitution determines that the form of the State adopted by Indonesia is the Republic, as a consequence of a Republican state, sovereignty is in the hands of the people. The implication is that the filling of state political office such as the position of regional head is carried out directly by the people through a general election. Even though Article 18 Paragraph (4) of the 1945 Constitution stipulates that Governors, Regents and Mayors are elected democratically, using the hermeneutic interpretation of the word "democratic" here must be interpreted that regional heads are elected directly by the people. So as a consequence of the form of a Republican

state, sovereignty is in the hands of the people, the people are entitled to determine their regional head. On the other hand the Indonesian constitution of the 1945 Constitution adheres to the presidential government system. One of the characteristics of a presidential government system is that the President as the executive leader is directly elected by the people, this is what distinguishes it from the parliamentary system where the executive leadership is elected by parliament based on the acquisition of a majority of seats in parliament. To emphasize and maintain the consistency of the presidential government system, filling the position of regional head as leader of the regional government is done through direct elections, not by parliament (DPRD). Based on the constitutional juridical argument, filling the regional head in the future should continue to maintain the formulation where the regional head is elected directly by the people through the election

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DECENTRALIZATION OF FISCAL ASYMMETRIC FOR COMMUNITY WELL-BEING: EVIDENCE FROM ACEH PROVINCE, INDONESIA

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Decentralization of Fiscal Asymmetric for Community Well-Being: Evidence from Aceh Province, Indonesia

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Abstract. This study analyzes the problems that arise in the implementation of fiscal decentralization that has been given by the central government to asymmetrical regions which show a number of successes in various fields in the welfare of society. Asymmetric fiscal decentralization cannot be separated from the policy of implementing financial autonomy by the central government to regional governments, namely to regulate the regional government budget itself according to the potential of their respective regions with outputs and benefits that can show a number of successes in terms of public welfare. The research method used is a conceptual approach with a descriptive interview method, literature study and documentation by collecting asymmetric decentralization budget data that has been issued by the central government whether there is a significant impact on the welfare and economy for

the region The results show that the performance of welfare and economic indicators in asymmetrical decentralization areas during the implementation of asymmetrical fiscal decentralization that has been given has shown improvement, this study concludes that granting fiscal decentralization to asymmetric areas for improving the performance of welfare indicators for local communities cannot be explained, especially its role in encouraging the acceleration of improvement of community welfare in asymmetrical areas.

Keywords: *Asymmetric Fiscal Decentralization, Asymmetric Decentralization, Welfare, Economy.*

Introduction

Ensuring the use of a government budget that is focused and on target is one of the visions of a country to prosper its people (Kelly, 2015). Transfers to regions are part of the state budget (Qibthiyah Mahi & Riatu, 2014) which must be used with focus and on target (Corbi, Papaioannou, & Surico, 2019). Determination of a good policy platform so that the implementation of the use of transfer funds to these regions is right on target is very crucial (Smyrl, 1997). This is in line with the implementation of asymmetric decentralization policies that have been running in almost all countries (Alonso & Andrews, 2019; Chien, 2010; Gjoni, Wetterberg, & Dunbar, 2010; Neamtu, 2016; Tan, 2019a). Asymmetry here is defined as a policy that provides differences in treatment to certain areas which are technically appropriate to be privileged (Bahl & Martinez-Vazquez, 2013; Tan & Tan, 2019).

Asymmetric decentralization actually does not stop at the transfer of authority (Chien, Congleton, Kyriacou, & Bacaria, 2003; Libman, 2012; Litvack, Alunad, & Bird, 1998), but has to be followed up by the courage of local governments in making various breakthroughs to advance their regions (Chien, 2010; Chien et al., 2003). The function of the central government in asymmetric decentralization is to provide guidelines for local governments in implementing the asymmetrical decentralization budget (Berdell & Dong, 2011; Garcia-Mila & McGuire, 2007) and the rest of the role for advancing the regions will be more dominant performed by local governments (Berdell & Dong, 2011; Garcia-Mila & McGuire, 2007) because economically, local governments have been given greater autonomous rights with the power and acceptance of

asymmetric decentralization budgets and greater administrative flexibility to implement these budgets (Suhardi, Husni, & Cahyowati, 2019).

Asymmetric decentralization in Indonesia will continue to be a serious concern for the study of politics and governance. Indonesia has unique characteristics that make the study of the pattern of central and regional relations always try to find a more ideal format. Various points of view are used to interpret asymmetric decentralization as a necessity to be implemented (Isra, de Villiers, & Arifin, 2019a). There is an administrative approach (Hataley & Leuprecht, 2014; Shah & Thompson, 2004) and there is also a cultural approach (Alunad & Tanzi, 2003; McGarry, 2007), besides that there is a political approach (Garcia-Mila & McGuire, 2007; Requejo, 2001). Answering the demands of financial equity and balance is a must, therefore the government designs a policy by allocating asymmetrical fiscal decentralization funds (Congleton, 2006; Hataley & Leuprecht, 2014). Asymmetric decentralization concerns fundamental functions related to the pattern of central and regional relations involving different designs of authority, institutional, financial and control. At least asymmetric decentralization can be given with consideration of conflicts, history and culture, border areas, national capitals and economic development based on geographic considerations because of the potential to trigger jealousy between regions.

In Indonesia, the asymmetrical decentralization model is in the form of special autonomy, enforced based on laws that have very significant fiscal implications, in the form of allocating additional revenue-sharing funds (DBH) for natural resources and additional infrastructure funds (DTI), which most regions do not have. Fiscal implications accompanied by full discretion in their management should be able to provide fiscal stimulation for the asymmetric decentralized region to increase regional spending in supporting the provision of public services, development of various basic infrastructure, and the provision of public goods and services, especially in the fields of education, health and infrastructure. This is very necessary for catching up with various other provinces and regions in Indonesia as well as in accelerating efforts to improve the welfare of the people, which is the main objective of asymmetric decentralization.

Fiscal decentralization in an asymmetrical framework, according to research, should be able to promote better public prosperity. According to Tiebout (1956), Oates (1972), Tressch (1981), Weingast

(1995) and Breton (1996), the most efficient prosperity should be able to be maintained by areas that have the least geographic control. This is not only because the local government is very appreciative and responsive to the needs of its people, but also because local governments are seen as more aware of the characteristics of their respective regions so that regional spending will be more effective in driving economic growth. With various other research arguments, fiscal asymmetric decentralization, according to Martinez Vazquez and McNab (1997), is an alternative solution which is believed by many to be an effective tool or way in increasing the efficiency of public spending. The efficiency of regional public spending is obtained because the closer the government is to its people, the more efficient it is to respond to community needs, especially in providing and improving the quality of public services.

It is only natural that people's welfare is the goal of every policy that is designed and implemented. Various achievements have been made in focus sectors such as education, health, infrastructure and community economic empowerment (Bardhan, 2002; Congleton, 2006; Podesta, 2017). This proves that the asymmetric decentralization policy is the nations best determination to change the lagging phase slowly but surely into the welfare dimension (Henders, 2010; Wang & Ma, 2014).

Literature Review

Asymmetric Decentralization

The concept of asymmetric decentralization developed from the asymmetric federation concept introduced by Charles Tarlton in 1965 (Tillin, 2007). There are two types of the asymmetric federation, namely de facto asymmetry and de jure asymmetry (Cashaback, 2008; Tillin, 2007). The first type refers to differences between regions in terms of area size, economic potential, culture and language, or differences in autonomy, systems of representation or authority that arise because of differences in these characteristics (Milne, 2005; Swenden, 2002; Von Beyme, 2005; Wang & Ma, 2014). Meanwhile, the second asymmetry is a constitutional product that is consciously designed to achieve certain goals. This relates to the allocation of authority in different amounts,

or the granting of autonomy in certain policy areas, to certain regions only (Monti, 2019; Shahid & Gerster, 2019).

According to Salle & van Burg's (2019) argument, asymmetry is defined as the difference in status between units in a federal or decentralized state based on the constitution or other legal provisions. Asymmetric decentralization in the form of special autonomy is a form of decentralization that is tailored to the characteristics of a region in its application to a country.

There are several countries in the world that apply this special autonomy status to regions in their countries (Nagel & Requejo, 2016; Shahid & Gerster, 2019). An example can be drawn from Canada's experience in managing the privileges of Quebec in its union with the Canadian Federation (Beland & Lecours, 2007; Mcgarry, 2007), Mindanao in its political union with the Philippines (Eaton, 2001; Shair-Rosenfield, Marks, & Hooghe, 2014; Verbrugge, 2015), Sami Land in union with Norway (Fiva, 2006; Stein, Buck, & Bjornā, 2019) and China which made an agreement with Britain to establish Hong Kong's status as a special administrative region in 1997 (Henders, 2010).

Theoretically, asymmetric decentralization is actually relatively new in Indonesia, rather than the development of the regional autonomy theory which only prioritizes the transfer of authority from the centre to the regions (Isra, de Villiers, & Arifin, 2019b). Asymmetric decentralization does not only talk about the delegation of authority but also how authority, finance, supervision and institutions are contextually decentralized (Smoke, 2015; Tan, 2019b; Verbrugge, 2015). Other opinions and theories state that asymmetric decentralization is given to regions for several reasons, namely 1) political considerations related to the pressure of certain groups or regions that demand special treatment (Kenny & Verge, 2013). 2) consideration of inter-regional diversity based on ethnicity, religion, or demographics (Verbrugge, 2015) and 3) considerably of governability, which concerns the ability to carry out government functions in the regions (Nasr, 1992).

The implementation of fiscal decentralization and regional autonomy in Indonesia as a political consequence is currently at a point no return condition so that the aspects that are put forward are more of capacity building and quality improvement. Thus, in the future, fiscal decentralization and regional autonomy are expected to be

able to bring Indonesia to inclusive and sustainable prosperity. All the efforts and work of the government are of course obliged to get the full support of all parties involved and interested in supporting the successful implementation of fiscal decentralization and autonomy in Indonesia as a whole.

Fiscal Decentralization

Fiscal decentralization is a consequence of the implementation of regional autonomy (Brodjonegoro & Asanuma, 2000; Duncan, 2007; Smoke & Lewis, 1996), which has the aim of increasing regional potential, especially providing better public services (Sidik, 2007) and creating a retrieval process. more democratic public decisions (Isufaj, 2014; Shon & Cho, 2020). Fiscal decentralization can be viewed as a process of distributing budgets from higher levels of government to lower levels of government, to support government functions or tasks and public services in accordance with the amount of governmental authority delegated (Adam, Delis, & Kammas, 2014; Placek, Ochrana, Pucek, & Nemeč, 2020; Placek, Ochrana, Pllcek, Nemeč, et al., 2020). The objectives of fiscal decentralization, in general, are 1) to fulfil regional aspirations regarding control over regional financial resources. 2) encourage accountability and transparency of local govenunents. 3) increase community participation in the regional development process. 4) reduce inequality between regions. 5) guarantee the implementation of minimum public services in each region. 6) to improve the welfare of society in general (Bardhan, 2002; Davoodi & Zou, 1998; Hankla, 2009; Martinez-Vazquez, Lago-Pefias, & Sacchi, 2017b).

To measure fiscal decentralization in an area, there are two common variables that are often used, namely regional expenditure and revenue. Ebel & Yilmaz (2002) state that there are several variations in the selection of indicators to measure decentralization from one country to another. Even though they both use government expenditure and revenue variables, what is the difference is the size variable used by one researcher with another. There are three size variables that are commonly used, namely: population, area and Gross Domestic Product (GOP) (Ebel & Yilmaz, 2002).

To see whether fiscal decentralization is effective or not, it must be related to 3 (three) important components in fiscal decentralization,

namely 1) the existence of autonomy and adequacy in revenue (revenue autonomy and adequacy). 2) there is autonomy in spending (expenditure autonomy) and 3) there are borrowing privileges (Shah & Thompson, 2004). Meanwhile, Bali! & Martinez-Vazquez (2006) argues that using slightly different terms, namely: 1) local government has significant discretion to raise revenue; 2) local governments have significant authority in spending (significant local government expenditure responsibilities), and 3) the ability of the region to borrow (local borrowing ability).

If it is related to the Indonesian context, from the three components above, it seems that the implementation of fiscal decentralization is only significant for autonomy expenditure. This can be seen at least in 2 (two) aspects, namely!) fiscal transfers from the central government to regional governments through balancing funds, particularly DAU and revenue sharing from natural resources and taxes increased significantly. In fact, this increase is expected to continue in line with the implementation of the policy for balancing national and regional finances, due to the existence of several new items in the sharing of natural resources, for example, geothermal mining, the rearrangement of the proportion of SDA revenues and an increase in the minimum limit of the DAU proportion to domestic revenues. national budget from 25% to 26% 2) A further implication of this situation is that the portion of funds managed by the central government is reduced (the proportion of the balance funds to the APBN PDN reaches a figure above 26%), and vice versa, the portion of funds managed and under the responsibility of regional governments increases significantly (proportion of the balance of funds to the total APBD is around 70% - 80% on average and the total funds managed by local governments have increased by an average of over 200%).

Fiscal asymmetric decentralization positions central and local governments equally important (De Siano & D'Uva, 2017; Martinez-Vazquez, Lago-Pefias, & Sacchi, 2017a). Each of them has contributed to the success of development (Qiao, Ding, & Liu, 2019; Thanh & Canh, 2019). The increase in the number of transfers to the asymmetric decentralized regions in the central government budget as an instrument of fiscal decentralization is evidence of the seriousness of the central government. However, this policy will mean nothing if it is not accompanied by the seriousness and active role of the asymmetric

decentralization regions. Fiscal decentralization in an asymmetrical framework is a variant of regional autonomy and decentralization policies that are applied specifically to certain regions, as a solution to the political demands of the people from several regions who want to separate themselves from a country. The main and most fundamental difference between general autonomy and asymmetric decentralization according to VanHouten (2004) lies in the special powers given to local governments to regulate their regions according to the context and aspirations of local communities.

Welfare State

Prosperity in today's global concept is a condition where a person can meet basic needs, be it the need for food, clothing, shelter, clean drinking water and the opportunity to continue education and have adequate work that can support his quality of life so that he has a status. The social status which leads to the same social status as other fellow citizens (Cibulka & Giljum, 2020; Moon, 2019).

Welfare is one aspect that is quite important to maintain and foster social and economic stability (Bezanson, Bevan, Lysack, & Hammer, 2020), where this condition is also needed to minimize the occurrence of social jealousy in society. So every individual needs prosperous conditions, both prosperous in material terms and in non-material terms so that a harmonious atmosphere can be created in society (Hwang, 2020).

Welfare is a number of satisfaction that a person gets from consuming the income received. However, the level of welfare itself is relative because it depends on the amount of satisfaction obtained from consuming that income (Alderman, Turner, & Tong, 2012; Han & Gao, 2020; Tu Le, 2020). The level of satisfaction related to emotion will affect aspects of individual behaviour to assess satisfaction on other variables such as satisfaction with the quality of life (Currivan, 1999; Fumagalli et al., 2020; Kumar & Nayak, 2015; Tang & Vandenberghe, 2020). Emotional satisfaction scores will also improve individual performance and contribution to their environment (Cavazotte, Moreno, & Hickmann, 2012; Sony & Mekoth, 2016, 2016; Sy, Tram, & O'Hara, 2006)

The welfare state or what is commonly referred to as state welfare is an ideal idea for how a state carries out its duties in order to serve citizens towards a harmonious and prosperous life order (Greener, 2017). Thus, basically the existence of the concept of the welfare state cannot be separated from the developing political-economic system (Towse & Navarrete Hemimdez, 2020; Weston & Townsend, 2011). Goran Adamson explained that the concept of Welfare State has evolved in modern times. Modernity is defined as the state's ability to empower its people. The role and responsibility of the state becomes so great for its citizens because the state will behave and position itself as a friend to its citizens Dieye (2020) states that the state must actively strive for prosperity, act fairly that can be felt by all people equally and equally, not for the welfare of certain groups but all the people. The Welfare State is often interpreted differently by each person and country (Albano & Barbera, 2010). However, the Welfare State, in general, contains at least 4 (four) meanings, including 1) as a condition of welfare (well-being) and social welfare as a condition for the fulfilment of material and non material needs. Prosperous conditions occur when human life is safe and happy because the basic needs for nutrition, health, education, shelter, and income can be met and when people are protected from the main risks that threaten their lives (Ellison & Haux, 2020; Johansson & Koch, 2020), 2) as social services, generally includes five forms, namely social security, health services, education, housing and personal social services (Vahabi, Batifoulier, & Da Silva, 2020), 3) as social benefits, social welfare provided to the poor. Because most of the welfare recipients are the poor, disabled, unemployed, this situation creates a negative connotation in the term welfare, such as poverty, laziness, dependence, and so on (Morel, 2020); 4) as a planned process or effort, a process carried out by individuals, social institutions, communities and government agencies to improve the quality of life through the provision of social services and social benefits (Albano & Barbera, 2010).

Welfare State cannot be separated from social policies, which in many countries include government strategies and efforts to improve the welfare of its citizens, especially through social protection which includes social security (both in the form of social assistance and social insurance) as well as a social safety net (Johansson & Koch, 2020).

Method

This research uses interviews, literature review studies, documentation designed to understand one or more aspects related to policy implementation (Wallin & Ahlstrom, 2006; White & Wang, 1997). The method is carried out by collecting data from institutional publications juxtaposed with various literary sources of experts and legislative documents to then be analyzed into conclusions and recommendations (Andrews & Harlen, 2006; Xiao & Watson, 2019). The literature and documents in question can be in the form of books, journals, institutional reports, laws, clauses, media news, academic texts, policy papers, and other literature related to the focus of research (Rowley & Slack, 2004; Xiao & Watson, 2019). The technique for obtaining data in this research is the literature review method and holding discussions with competent officials/experts and documentation (Haenssger, 2019). Discussions were held involving members of the Regional Representative Council of the Republic of Indonesia, officials from the Ministry of Home Affairs, Ministry of Finance, and the National Development Planning Agency as well as officials from the Provincial Government of Aceh.

The data analysis process in this study begins with a preliminary study of the research object (Lewis, 2019). The next step, deeper data processing is done by processing the results of interviews and the results of research documentation from various field information (DiCicco-Bloom & Crabtree, 2006). After that, check the validity of the data used as study informants and compare the data with various other relevant information (Maxwell & Rebold, 2015). The validity of the data is needed to measure the extent to which the interpretations made by researchers can be trusted (Bernard, 2013). In qualitative research methods, the researcher's interpretation of the data is a major strength. This study uses the data validity technique formulated by Cresswell (1998).

Result and Discussion

Asymmetric regions that have received transfer funds allocation from the APBN have increased significantly. Since its allocation in 2002 until now, there are 4 provinces that have received asymmetric fiscal decentralization funds, namely Papua Province, West Papua Province, Aceh Province and Special Region of Yogyakarta Province. The total

allocated funds received amounted to Rp. 208.4 trillion with an average contribution of 64% of the total revenue of each region (Directorate General of Regional Fiscal Balance, 2020).

The current implementation of Asymmetric Fiscal Decentralization in Aceh Province has been going on for almost two decades (Lele, 2019). The asymmetric fiscal decentralization fund is a source of regional revenue for the Aceh Provincial Government and district/city governments under the Aceh Provincial Government. The policies issued by the central government give full authority to the Provincial Government in managing special fiscal decentralization and are considered as revenue from the Aceh Provincial Government which is used to finance development programs. Fiscal decentralization fund management is aimed at catching up with regional development by taking into account the balance of development progress between districts/cities. Although the central government channels fiscal decentralization funds through the provincial government, the fiscal decentralization funds are also district/city revenues

The conflicts that have occurred in Aceh for many years have resulted in high levels of poverty and low quality of education and public health. In addition, the earthquake and tsunami in Aceh that occurred on 26 December 2004 made the economy and social conditions of the Acehnese worse. From this and in accordance with Law Number 11 of 2006 concerning the Government of Aceh (UUPA), the central government provided fiscal decentralization funds to Aceh Province for 20 years, from 2008 to 2027.

One of the goals of the central government to provide fiscal decentralization funds, among others, is for Aceh to rise again due to the downturn during the conflict and the earthquake and tsunami disasters. The law issued by the central government gives full authority to the Aceh Provincial Government in managing the fiscal decentralization fund and is considered as regional revenue to finance development programs by taking into account the balance of development progress between districts/cities. Although the central government channels fiscal decentralization funds through the provincial government, the fiscal decentralization funds also constitute district/city revenues. The use of fiscal decentralization funds as mandated in Law Number 11 of 2006 concerning Aceh Government, namely to finance 6 (six) development sectors, namely the empowerment of the people's economy, poverty

alleviation, infrastructure development and maintenance, education, health, and social affairs. The description of the development sector is as follows:

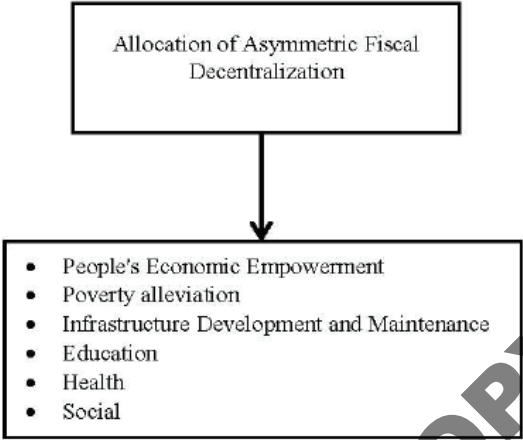
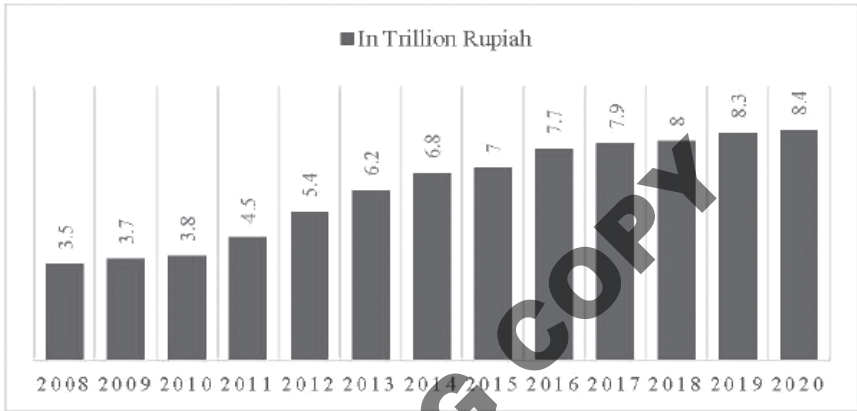


Figure 1 Allocation of Fiscal Decentralization Funds for Aceh Province

The management of fiscal decentralization funds is basically carried out with a balance of 60% allocated for Aceh development programs and activities and another 40% allocated for district/city development programs and activities. The fiscal decentralization fund is valid for a period of 20 (twenty) years, with details for the first to the fifteenth year, the amount equivalent to 2% of the National General Allocation Fund (DAU) ceiling and for the sixteenth to the twentieth year. The amount is equivalent to 1 % of the National DAU ceiling. Since the first time, the central government disbursed fiscal decentralization funds to the Aceh government in 2008 amounting to Rp. 3.5 trillion and continues to increase every year according to the development of the national DAU. The total fiscal decentralization funds that have been received by the Aceh government until 2018 amounted to Rp. 64,968 trillion, however, the fiscal decentralization funds received by the Aceh Government so far have not been able to demonstrate their existence to encourage the regional economic rate to grow ideally. The fiscal decentralization fund from 2008 to 2018 has increased significantly,

but the pace of regional economic growth is progressing slowly. The driving force for economic growth is so weak due to the fact that regional economic growth for the past 8 (eight) years is still below 6.0% on average, far from the target of the 2012-2022 Aceh Province development plan (above 6.0% to 8, 0%).

Figure 2 The Development of Fiscal Asymmetrical Decentralization Budget in Aceh Province



Source: Directorate General of Fiscal Balance (2020)

The management of Aceh's fiscal decentralization funds basically must be able to become a stimulus for the welfare problems of the Acehnese people as revealed in the research of Agrawal, Hoyt, & Wilson (2020) that the effect of fiscal decentralization must be able to increase economic results, including economic growth. In terms of revenue and financial management, Aceh Province receives a significant additional injection of funds, in terms of equalization funds where Aceh Province receives profit-sharing funds in addition to oil and gas production sharing, provided that the share of oil mining is

55%, and share of natural gas mining by 40%. These funds are then allocated to finance education in Aceh at least 30%, and a maximum of 70% is allocated to finance development programs mutually agreed upon between the Aceh Provincial Government and district/city governments.

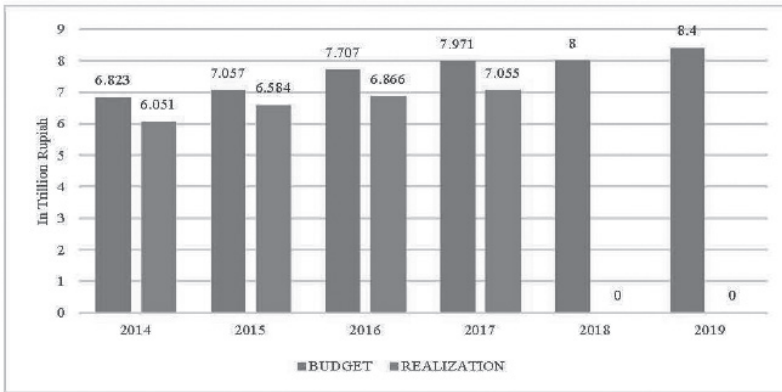


Figure 3 Realization of Fiscal Decentralization Fund Budget Absorption Performance in Aceh Province for the Period of 2014-2019

Source: Directorate General of Fiscal Balance (2020)

The realization of the budget performance of the Aceh fiscal decentralization fund has so far been less than optimal so that every year it creates SiLPA (excess budget calculations) in the APBA. This is due to the slow performance of the Aceh Government and the Aceh Regency / City Government or the budget planning in the APED that is not in accordance with the activities. The SiLPA is then re-budgeted for the APBA of the following year with the allotment of completing unreached output achievements or increasing output achievements. Even though the SiLPA is budgeted again when viewed from the general principles of state financial management, the implementation of the Aceh fiscal decentralization Fund is categorized as ineffective because the ratio of output to results is not appropriate (program results with predetermined targets).

The allocation of the use of the Aceh Government's fiscal decentralization funds through both provincial special autonomy and district and city special autonomy allocations has not been able to significantly spur economic growth, this is because, although the allocation of fiscal decentralization funds to the Aceh government is both Aceh special autonomy and district and city special autonomy continues to rise and grow every year does not go hand in hand with economic growth, which occurs even as if economic growth is not affected by changes in budget allocations from spending made

by the government. This condition can occur, one of which is the policy taken in the allocation of fiscal decentralization funds to the government budget that is not focused on economic sectors that can spur economic growth in the regions.

Not optimal economic growth has resulted in relatively high poverty and unemployment rates in Aceh and the highest in the island of Sumatra. However, in essence, the Aceh fiscal decentralization fund today plays a major role in reducing the poverty rate in Aceh. A significant decline in numbers was seen at 23.5% in 2008 to 16.8% in 2017. It is the main focus for the Government of Aceh today to be able to overcome poverty in a relatively short time with the end of the fiscal decentralization found in Aceh. However, there is still inequality in the individual income sector which has not decreased in the last 10 years. The inequality is measured from the Gini Ratio (GR) which sees a decline in urban areas. However, there has been a decrease in inequality between regions.

The condition of the poverty level in Aceh when compared with the national poverty, the poverty rate in Aceh and the districts/cities is much higher. When viewed from poverty alleviation, the number of poor people in Aceh in September 2019 reached 831 thousand (15.32%), a decrease of 8 thousand people compared to the poor population in March 2018 which numbered 839 thousand people (15.97%). This figure also decreased when compared to September of the previous year (15.92%). In general, during the years 2008-2019, poverty in Aceh has decreased by 7.85%.

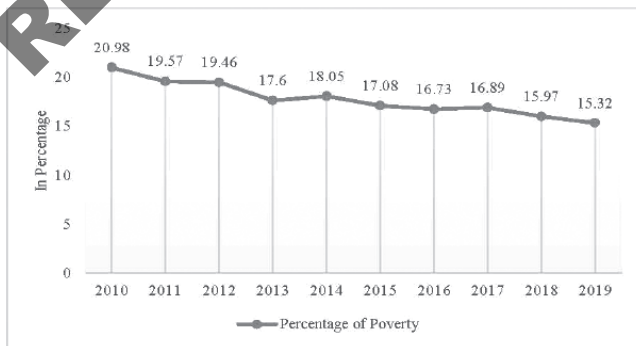


Figure 4 Level of Poor Population in Aceh Province

Source: Statistics of Aceh Province (2020b)

The Open Unemployment Rate (TPT) is an indicator that can describe the general condition of a region's economy, and at the same time provides an overview of people's activities in achieving prosperity. TPT is measured based on the percentage of the workforce that is not working which is influenced by several factors, including the social, cultural and economic conditions, environment, as well as the internal conditions of the workforce itself.



Figure 5 Aceh Province Open Unemployment Rate

Source: The Central Bureau of Statistics (2020)

The open employment rate (TPT) in Aceh in 2018 was 6.36% per cent or 0.21% lower than in 2017 of 6.57 per cent. The 2018 Aceh TPT figure exceeds the target set at 6.85 per cent. The decline in the number of TPT in 2018 was due to an increase in the number of the labor force, and the number of people working so that the increasing number of the labor force could almost be absorbed by the labour market. This means that the increasing number of the labor force is absorbed almost entirely by the labour market so that the number of nemployed people also decreases. The nemployment rate in Aceh per

2019 has decreased. In the research, it is known that the Aceh Central Statistics Agency (BPS) in its latest release stated that the Open Unemployment Rate (TPT) in Aceh this year reached 6.20 per cent, while last year it was 6.38 per cent. This shows that Aceh's employment growth is increasing.

In contrast to poverty and nemployment levels, the Human Development Index (HOI) has experienced significant developments with the increase in the Human Development Index (HOI). Aceh's HOI has

increased regularly from 2012 (67.81) to 70.60 in 2017. Based on its ranking, Aceh was ranked 11th out of 34 provinces in Indonesia in 2013. In 2019, the HOI of Aceh Province reached 71.90. This figure increased by 0.71 points compared to 2018 which amounted to 71.19. From 2016 to 2019, human development in Aceh Province has entered a "high" status valued at 70.00 or more. The HOI of Aceh Province in 2019 grew by 1.00 per cent compared to 2018.



Figure 6 Aceh Province Human Development Index

Source: Statistics of Aceh Province (2020a)

Conclusion

Based on the results of research and discussion, several conclusions can be drawn that financial management in Aceh Province in order to support the implementation of the asymmetric fiscal decentralization fund has had a positive impact for increasing development aimed at achieving prosperity basically done with a balance of 60% (sixty per cent) allocated for Aceh development programs and activities and 40% (forty per cent) allocated for district/city development programs and activities. The asymmetric fiscal decentralization fund is basically one of the revenue receipts of the Aceh Provincial Government which is intended to finance development, especially infrastructure development and maintenance, empowerment of the people's economy, poverty alleviation, and education, social and health funding. All expenditure items are indicators of welfare for the people of Aceh so that if financial management is right on target, improving welfare will have a positive impact on the people of Aceh. The asymmetrical fiscal decentralization fund management mechanism has been implemented in accordance

with applicable regulations. The transfer mechanism shows a significant change, marked by a higher level of completion of activities than the previous mechanism and allows for more diverse and strategic programs/activities according to regional needs. However, it can also result in uncontrolled and not the strategic selection of activities if they are not well planned.

Even though there has been a significant allocation of transfer funds to regions, the condition of the level of welfare of the people in this asymmetrical area is still relatively behind when compared to other regions in Indonesia. The HOI indicators and the per capita income of Aceh Province every year are always below the average HOI and the national income per capita, while the poverty rate is above the national average. In addition, there are also disparities, both in the level of welfare and public services between districts/cities in the Aceh region, as shown by the high Gini ratio, and the large difference in the achievement of performance indicators for education, health, public infrastructure and public services. This condition raises a fundamental question: why is the allocation of transfer funds to regions that are so large and growing rapidly in the framework of Aceh's Asymmetric Fiscal Decentralization not necessarily followed by an increase in public service performance and the level of community welfare.

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RISK MANAGEMENT SOLUTIONS IN LOCAL GOVERNMENT FINANCIAL MANAGEMENT

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Risk Management Solutions Local

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Abstract

Risk management in financial management in developing countries has emerged as one of the most interesting research topics today. The magnitude of the role of the local government financial management sector has not been accompanied by adequate risk management. Risk management is an important part of decision-makers. Poor risk management in financial management often leads to loss of

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public trust with the consequences of failure in the administration of good and clean governance. To improve government financial management, risk management is needed that must be managed effectively. The study was conducted using a single case, with a qualitative method approach through interviews, questionnaires, observation, documentation and focus group discussions (FGD). This research, presents empirical data in a case study in one of the local governments in Indonesia about the risk of government financial management, namely public financial management, especially local governments that have not been mapped, the results are expected to be used for future research. The focus of this research is on the use of risk management measures as a strategic skill in managing regional finances. Specifically, the aim is to find out the extent of these risk steps to predict periodic instability periods.

A. Introduction

Modern society faces many challenges, human life, community welfare, and the environment are threatened by risks that can be systemic such as climate change, epidemics and financial crises (Gai & Kapadia, 2019). The latest stage of development of the world community today is the complexity and dynamics that have evolved which have led to an endless increase in the level of risk in all fields (Pettit, Croxton, & Fiksel, 2019). Risk leads to uncertainty over the occurrence of an event that causes a small loss that is not so significant or a large loss that affects the survival of governance (Kettlewell, 2019; Svetlova & Thielmann, 2020). This raises systemic risks that have an impact on changes in speed and complexity intensity (Berger, Roman, & Sedunov, 2019; Biagini, Fouque, Frittelli, & Meyer - Brandis, 2019; Schweizer, 2019). All of that demands anticipatory action from the start in dealing with risks so that problems can be faced (Stewart, 2019; Zwikael, Smyrk, & Stewart, 2019) so as not to cause a loss (Svetlova & Thielmann, 2020).

The risk is something that cannot be avoided (Tran, 2019). However, in many situations, systemic risk can be predicted and managed (Manguzvane & Muteba Mwamba, 2019; Wijethilake & Lama, 2019), However, in many situations, systemic risk can be predicted and managed (Anouche & Boumaaz, 2019; Laisasikorn & Rompho, 2019;

McMahon & Hartmann, 2019). For a long time, the management of risks was considered to be purely a problem of the application of the conclusions of the relevant quantitative sciences (Abdei-Basset, Gunasekaran, Mohamed, & Chilamkurti, 2019; Anouche & Boumaaz, 2019; Fowler & Quigley, 2019). Now it is increasingly appreciated to involve the skills of governance as well as Public agencies, political administrators, regulators, etc. (Akingbola, Rogers, & Baluch, 2019; De Marchi & Ravetz, 1999; Ivanyos & Sandor - Kriszt, 2015; Olvera-Garcia & Neil, 2019).

Local governments that are part of the government must carry out government management activities including financial management (Aipenberg & Karlsson, 2019; Z. Chen, Pan, Wang, & Shen, 2016). Financial management is one of the supporting elements of the development of a country (Caperchione, Cohen, Manes-Rossi, & Brusca, 2019; Iqbal, Nawaz, & Ehsan, 2019; H. Yang & Van Gorp, 2019). Local government financial management always experiences very complex risks including in budgeting (Ali, Shrestha, Chatfield, & Murray, 2019; Alpenberg & Karlsson, 2019; Z. Chen et al., 2016; Ihlanfeldt & Mayock, 2015; Kennedy, Tennent, & Gibson, 2006; Mauro, Cinquini, & Pianezzi, 2019; Widanaputra & Mimba, 2014). Local government financial management related to planning, implementation, reporting, monitoring and evaluation as well as accountability and supervision (H. T. Chen, Morosanu, Poweii-Threets, Lian, & Turner, 2019; Dewi, Manochin, & Belal, 2019; Dillard & Vinnari, 2019), and is always related to tax revenue, expenditure and budget management (Eckersley, Murphy, & Ferry, 2019; Guarini & Pattaro, 2019). All that affects the allocation of resources and the distribution of income, supervision and control and fiscal relations between governments (Francesca Manes Rossi, Eugenio Caperchione, Sandra Cohen, 2018).

In managing revenue and expenditure, local governments sometimes face deficits (L. E. Johnson, Lowensohn, Reck, & Davies, 2012; Mauro et al., 2019) including when they lack the income to cover expenses (Ifere & Okoi, 2018). Most of the time is spent finding solutions to problems, for example by borrowing funding (de Araujo, Barroso, & Gonzalez, 2019; Foltin, 2017; L. E. Johnson et al., 2012; Urahn et al., 2013). This can be seen from the many needs faced with limited sources of regional income (Hadfield & Cook, 2019; Mardiasmo, 2002; Tung & Bentzen, 2019). Therefore, spending priorities and good planning can be

the key to getting around budgeting. Conditions of financial deviations to the budget both in terms of revenue, expenditure, and financing must be following the ability of the region that is circumvented in financing the implementation of government (Halim & Kusufi, 2007).

In the current conditions, public financial management must consider various factors and various risks to complete the assigned tasks to be effective (Tkachenko, 2020a).). The magnitude of the role and risk in the local government financial management sector must be accompanied by adequate risk management (Palutikof et al., 2019). Local governments are always aware that success must involve the assessment of risk management, Often local governments do not realize the importance of understanding risk (Mees, Uittenbroek, Hegger, & Driessen, 2019). The consequences of ignorance have an impact on the achievement of program goals and activities such as the failure of programs and activities, the achievement of outcomes to the community, the occurrence of fraud and others. Therefore the government needs to recognize what risks are inherent and will hinder the achievement of government objectives. Good risk management will reduce the impact of risk on achieving the objectives of government agencies.

Local government financial management must be reported systematically and structured following the rules in force in a country (Jones, Holmes, Fischer, & Cole, 2019; Kloot & Martin, 2000; Laswad, Fisher, & Oyelere, 2005). The Republic of Indonesia Supreme Audit Agency (BPK) found many problems related to regional financial management, including 7284 weaknesses in the internal control system, 7549 non-compliance with statutory provisions valued at Rp.25.14 trillion, and 164 issues of inefficiency, inefficiency, and ineffectiveness valued at Rp. 25 trillion (The Audit Board Of The Republic Of Indonesia, 2019).). This has become a worrying phenomenon. Not yet optimal management of regional finances can also be seen from various cases of criminal acts of corruption that occurred in the misuse of the financial budget which reached 154 cases with state losses reaching Rp. 1.2 trillion (The Audit Board of The Republic of Indonesia, 2019).

There are many risks in the management of regional finances in deviations from the budget, often in the infrastructure sector where the largest budget allocations are marking up, markdown, fictitious reports,

abuse of authority and embezzlement so the financial statements are often not following the actual realization (Keban, 2019). This opinion reinforces the research of Warongan, Pagalung, Uppun, & Habbe (2014) which explains that poor public financial management including local government will provide an opportunity to commit irregularities and mistakes and lead to fraud that causes corruption and poor public services. The many problems faced by local governments ranging from asset management, finance to the low local revenue (PAD) have a negative effect on the implementation of local government in Indonesia. Ernst & Young (2009) mentioned that there are several reasons for the need to manage risk, namely 1) risk management promotes transparency to the stockholders on what the risk that the corporate is exposed to, also how much how to mitigate, 2) everyone is accountable for the risk embedded in their activities.

Local government as a public organization needs a methodology that can be used to identify, measure, monitor and control risks arising from financial management, thus budget management will be carried out effectively so that negative impacts do not occur. In addition to ensuring continuity, community service and the development of organizational goals that are in line with the vision and mission in meeting the expectations of stakeholders.

To realize this, local governments need to continuously recognize risks in achieving the goals set. Siahaan (2013) is of the view that risk failure can be avoided by risk management, which can be used as a basis for determining risk maps, as well as the impact and attitude that must be taken. Kirogo, Ngahu & Wagoki (2014) research explains that risk-based management has a positive effect on financial management so that they can know what actions should be taken to respond to risk which exists. Although attention to risk management has increased, there are still many differences in the results of academic research in local government management. One of the reasons that emerged was because of difficulties in determining the right size of risk management. As a result of research that the application of risk management systems will improve the performance of local governments (Garcia-Juan, Escrig-Tena, & Roca-Puig, 2019; Yasin, Artinah, & Mujannah, 2019). As well as other studies, revealed that risk management must have a relationship with the performance of existing resources in local governments, Dimitrijevska - Markoski & French (2019), through

his research on the US government in the United States believes that there is a positive relationship between state government values application of risk management. Statistically and economically it was found to increase to 17%, after the existence of risk management.

The results of implementing risk management for local governments are by creating synergies between risk management activities (Miccolis & Shah., 2000; Cumming & Hirtle, 2001; Lam, 2001; Meulbroek, 2002). The application of risk management seems to raise risk awareness, which supports better operations and strategic decision making of local governments (Suardini, Rahmatunnisa, Setiabudi, & Wibowo, 2018). Therefore, researchers have thought that it is still very important to conduct research on risk management about the financial management of local governments, which can then become a reference for research and local government.

B. Literature Review

1. Local Government Financial Management

Local government financial management refers to public sector management (Caruana, Brusca, Caperchione, Cohen, & Rossi, 2019), namely the existence of a set of laws, rules, systems, and processes that refer to existing policies and government, to mobilize revenues, allocate public funds, conduct public expenditure, calculate funds and audit results (Lawson, 2015). A large number of actors are involved in this public financial management cycle to ensure it operates effectively and transparently while maintaining accountability (Lawson, 2015; Mehrpouya & Saltes Djelic, 2019; Tkachenko, 2020a).

Public financial management consists of several parts including budgeting, accounting, purchasing/procurement, financial management, cash management and auditing (Coe, 1989). The chain of activities ranging from budget planning by the executive and authorization of the budget by the legislature to the distribution of the implementation of activities (Wildavsky, 1986)) so that local governments must hold the procurement of assets and work contracts, payment verification, cash management, the release of payment obligations, accounting, reporting, control, auditing, and evaluation (Brignall & Modell, 2000).

Public financial management (PFM) includes planning, budgeting, accounting, reporting, supervision, monitoring and evaluation activities (Allen, Schiavo-Campa, & Garrity, 2003). Another theory argues PFM is the budget cycle, starting from the preparation and planning of the budget, internal control, accounting, internal and external audit, reporting and monitoring (Lane, 2002).

2. Interdisciplinary Conceptions of Risk

Risk can be defined as a condition that will occur from the consequences of possible losses that are expected from disrupted economic activities (Bizottsag, 2010; ISDR, 2009). Conceptual picture of risk according to Bizottsag (2010) and ISDR (2009) is explained in the figure below:

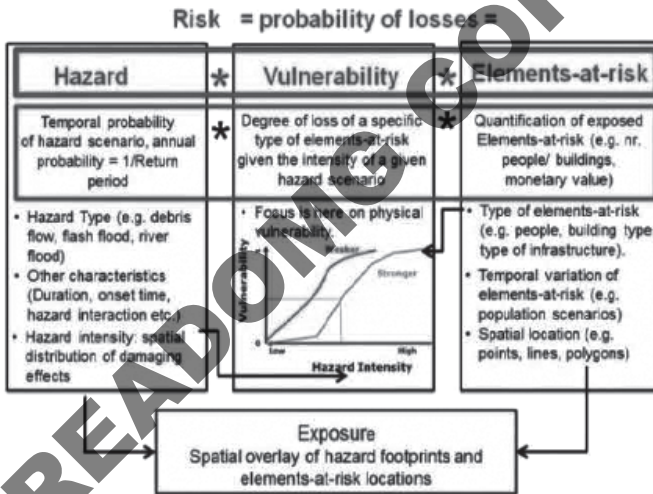


Figure 1 Perspectives the Risk by Bizottsag (2010), ISDR (2009)

The figure above explains that the risk is divided into hazards, vulnerabilities and risk interaction elements, risk loss analysis that will occur are calculated based on physical vulnerability data by taking into account the calculated risk elements (Bizottsag, 2010; ISDR, 2009). Other theories that risk explains uncertainty about the consequences of an activity carried out (Aven & Renn, 2010; B. B. Johnson & Covello, 2012). In most of the literature, researchers also agree that the problem of risk is always associated with negative consequences of impacts (Beasley et al., 2019; Buregeya, Loignon, & Brousselle, 2019;

Christopher & Lee, 2004; Poshakwale, Aghanya, & Agarwal, 2019; Spekman & Davis, 2004; Vu, 2019; Wagner & Bode, 2006).

Concerning risks in the local government sector which demands transparency and increased performance of their activities but with a limited budget (Guillam6n, Bastida, & Benito, 2011), risks in the implementation of local government especially in regional financial management always increase from year to year (Edwards, Griffith, Burton, & Mackey, 2019) and always influence the achievement of objectives (Bocken & Geradts, 2019; Chambers & Rand, 2011; Edwards et al., 2019; Guillam6n et al., 2011) understanding risk is a must for local governments, by being able to more

precisely determine the priority of the program of activities carried out so that local government objectives can be realized (Bocken & Geradts, 2019), the sections involved in managing local government finances need to identify risks to reduce the dangers and losses arising from these activities, due to implementation the implementation of local government is always at high risk (Qiao, 2007).

3. Public Risk Management

The concept of risk management has a long period to become literature. starting with the Greeks who offered their ability to assess risk in decision making (Bernstein, 1996). in the field of scientific research, risk management includes new theories compared to other sciences, about 30 to 40 years of undeveloped (Akintoye & Macleod, 1997; Aven, 2016a, Bui, Cordery, & Wang, 2019; Dandage, Mantha, & Rane, 2019; Haimes, 2005; Scholes, 2000). From the present period, we see many scientific writings such as dissertations, scientific journals, papers, and conferences that discuss the concept of how to appraise and manage risk appropriately (Aven, 2016b). for now, risk management becomes a theory applying conclusions using the rules of the rules Relevant science (Council, 2009; Failing, Gregory, & Harstone, 2007; Fischhoff, 1995; Klinke & Renn, 2019; Walker, 2003; Q. Yang, Wang, & Ren, 2019). Now risk management is often used in the implementation of activities in both private and public organizations such as local governments (Baxter, Bedard, Hoita sh, & Yezegel, 2013; De Marchi & Ravetz, 1999; Dupire & Slagmulder, 2019; Klinke & Renn, 2019; Petersen, 1997; Scholes, 2000).

Demidenko & McNutt (2010) in their research results revealed that risk management is a means to realize organizational goals and monitor the performance of management. Risk management involves identifying risks, predicting how likely they are and the impact if they occur, deciding what actions to take and implementing those decisions (Williams et al., 2006). Risk management helps the decision-making process by taking into account matters outside the control of the organization that affects the achievement of organizational goals. Risk management is applied because it will produce more information about organizational risks and produce better management and better decision making (Kleffner, Lee, & McGannon, 2003).

Risk management also applies analytical techniques and measures or risk management to measure the amount of financial loss (or profit) faced by the organization (Beasley et al., 2019; Brous, Janssen, & Herder, 2019; Kliem & Ludin, 2019; Mulvey & Erkan, 2006; Schenker-Wicki, Inauen, & Olivares, 2010), however, governments need to know the impact of any possible outcomes and their implications for profitability. In order to measure this risk is useful, so it can be calculated actual gains and losses that arise (Gorrod, 2004). The objectives of risk management relating to the public include to eliminate or reduce damage to the threat of loss to public institutions through systematically organized efforts (Lewis, 2020; Machlis & Tichnell, 2019; Petrescu, Postole, & Ciobanasu, 2019). The importance of risk management to local government financial management can be measured. But this does not mean that financial management risk management ignores potential risks other than local government, especially those from the central government (Petrie, 2013).

4. Risk Management Process in a Public Organization

Risks in the public sector so far may not be completely eliminated but must be managed properly and correctly by using the application of appropriate methods, techniques, and analytical tools. Tworek (2015), recommends that the risk management process consists of four stages in a public organization, an explanation of these stages is presented in the Figure below:

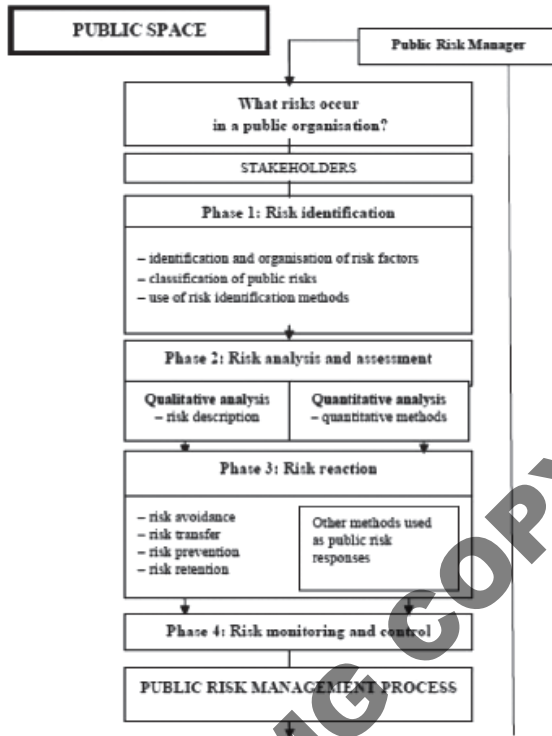


Figure 2 The flow stages of the risk management process in public organizations by Tworek (2015)

The risk identification phase is the first stage in the risk management process in public organizations, where the phase is activities to find or find out the sources of risk that may arise in the activities carried out by classifying these risk sources. Then in the analysis and risk assessment phase, calculating the estimated risks and impacts that will arise. The next stage is the risk reaction phase, where this phase, determines the right way or method to prevent risks that have been previously identified, analyzed and assessed, the last stage is the risk monitoring and control phase, where the parts of risk are higher, more priority for monitored and controlled. this phase is to see the development of the extent to which the application of risk management in these activities, in the process of applying risk management in public organizations, it is necessary to consider external factors and internal factors that will affect the course of the activities of the public sector organization (Tworek, 2015a).

5. Risk Identification

The risk identification phase becomes the most important among the other phases because this phase is the process of determining risks that have the potential to hamper program activities and activities to achieve organizational goals (Tworek, 2015a), by documenting and communicating to the stakeholders involved (Conrow, 2003), the steps in determining risk, must be carried out appropriate, appropriate processes for risk identification and for each quality process, identifying and recording risks (Vasile, Croitoru, & Mitran, 2012; Zou, Zhang, & Wang, 2007). risk identification activities must include what can happen and what can cause risk, both the causes of risk - both external and internal to the organization by recording risks into the risk register and opportunities that will be the foundation for the next stage (Hopkin, 2018). In essence, in the process of risk identification is to analyze and search for a list of potential risks and can also affect the objectives of the activities of an organization (Harold, 2010), various techniques that can be done to identify risks include the following:

Table 1 Risk Identification Technique by Barton, Shenkir, & Walker (2010), Ostrom & Wilhelmsen (2019), Abdei-Basset et al., (2019)

Internal Interviewing and Discussion	External Sources	Tools, Diagnostics and Processes
<ul style="list-style-type: none"> • Interviews • Questionnaires • Brainstorming • Self-assessment and other facilitated workshops • SWOT analysis • Historic of risks • Audit and • Inspection reports 	<ul style="list-style-type: none"> • Comparison with other organizations • Discussion with peers • Benchmarking • Risk consultants 	<ul style="list-style-type: none"> • Checklists • Flowcharts • Scenario analysis • Value chain analysis • Business process analysis • Systems engineering Process mapping

Many techniques can be used to conduct risk identification (Ostrom & Wilhelmsen, 2019), but in this study will be used the way of discussion with interviews with authorized parties, Focus

Group Discussion, observation and deepening of documents related to research. Risk identification aims to identify and make a list of possible risks (Abdei-Basset et al., 2019). In addition, identification is also carried out regarding the probability of the risk that will occur, causes and effects that may arise from these risks. Furthermore, after all, risks have been identified, an assessment process is carried out on each risk to determine the category of each risk. The process of identifying this event was carried out through a discussion and interview approach and reviewed from several previous studies relating to risks that might occur in the application (Abdei-Basset et al., 2019; Barton et al., 2010; Ostrom & Wilhelmsen, 2019).

6. Risk Analysis and Risk Assessment

Risk analysis and risk assessment required to process the data obtained to obtain a risk profile by assessing the potential risks that have been identified (Ostrom & Wilhelmsen, 2019; Purnamasari & Rani, 2019). Risk analysis and risk assessment refer to two factors, namely the quality of risk and the quantity of risk. The quality of risk is related to the likelihood of risks that will arise, while the amount of risk is related to how big the impact of risk on the sustainability of the organization. The purpose of this stage is to obtain a list of risks that have been assessed based on the level of likelihood of risk occurrence and the impact caused by the risk (Lucchetti, Arcese, Martucci, & Montauti, 2019). The results of risk analysis and risk assessment are a list of risks mapped to determine which risk priorities will be addressed first (Yoe, 2019b, 2019a).

Mapping techniques in this study, using the dimensions of the likelihood of risk occurrence and the dimensions of the impact if the risk occurs. The first dimension, states the level of likelihood that a risk will occur. The higher the likelihood of a risk occurring, the more priority attention must be given in its handling. Conversely, the lower the likelihood of a risk occurring, the smaller the priority of attention in handling it (Moeller, 2011; Tworek, 2015a). This research dimension might be divided into five categories, namely almost never, unlikely, possible, likely and almost certain as shown in the table below:

Table 2 Level Likelihood

Level		Description
1	Almost Never	Does not occur in 5 years
2	Unlikely	Occurs 1time in 5 years
3	Possible	Occm-s 1time in 2 years
4	Likely	Occm-s 1-4 times in 1year
5	Almost Certain	Occurs> 5 times in 1year

The second dimension is the impact that will arise if the risks faced really come true. The higher the impact, the higher the level of attention, conversely, the lower the impact, the lower the interest of management to deal with the risks faced. In this study, the dimensions of the impact are divided into five categories, namely minor, moderate, severe, major, and worse case, as shown (Chapman, 2011; Evans & Olson, 2001; Moeller, 2011), as shown in Table 3 below:

Table 3 Level Impact

Level		Description
1	Minor	Very Small Impact
2	Moderate	Srnall Impact
3	Severe	Big Impact
4	Major	Big Impact
5	Worse Case	Very Big I mpact

From the results of the two dimensions, a likelihood and impact matrix is then made, where the matrix is divided into five levels, namely Level1 (Extreme), level 2 (High), level 3 (Medium), level 4 (low), and level 5 (very low), according to the priority level of handling of the risks faced, where the higher the impact and the greater the likelihood that occurs, the higher the overall level of risk, as shown in Table 4 below:

Table 3 Matrix of Impacts and Likelihood
(Chapman, 2011; Evans & Olson, 2001)

LEVEL			Impact				
			1	2	3	4	5
			MINOR	MODERATE	SEVERE	MAJOR	WORSE CASE
Likelihood	5	ALMOST CERTAIN	Medium	High	High	Extreme	Extreme
	4	LIKELY	Low	Medium	High	High	Extreme
	3	POSSIBLE	Low	Medium	Medium	High	High
	2	UNLIKELY	Low	Low	Medium	Medium	High
	1	ALMOST NEVER	Very Low	Low	Low	Low	Medium

7. Risk Reaction

The next phase is the phase risk reaction, based on the results of risk analysis and risk assessment, a risk reaction is carried out which aims to find out which risks have the highest to lowest priority level and determine which risks are followed up with treatment and which risks only need to be monitored (Friedman, 2019). In this process, an alternative selection is carried out to deal with risks, assess their treatment options, prepare a risk management plan and implement it. This stage involves the leaders of the organization, in which risk management relates to the allocation of resources and funds needed in handling risk. Basically, risk reaction is an attempt to reduce the impact of risk and reduce likelihood (Aven & Renn, 2010).

The selection of risk management is carried out by taking into account the principle of costs and benefits for local governments, the impact on the likelihood of occurrence (likelihood) and the impact of risk (impact), the possibility of opportunities arising, and the need to also consider the effects on other. Risks alternative actions that can be taken, namely: 1) Accepting Risk, is the act of financial management of the local government to accept risk by not taking meaningful actions that require large resources. This action is usually applied to risks where the overall risk level is low (not significant) so that if the residual risk is handled, it will incur costs that are not proportional to the benefits; 2) Avoiding risks, is the actions of local government financial managers not to conduct certain business or activities that contain undesirable risks. This action is applied to the level of risk that has a very high impact that can affect the running of the organization where the risk reaction will ordain a very high time and cost. 3) Reducing Risk is the action of an organization with

all available resources trying to minimize risk as optimal as possible. This action can be carried out by conducting periodic monitoring and reducing the impact caused by the occurrence of a risk, usually on high-risk and low-risk risks, by making plans for budget changes; 4) Dividing Risk, is an act of the regional government financial manager to transfer risk from the regional government financial manager to a third party who can manage the risk, among others, through contract making. The principle of strategy must be carried out effectively and optimally by considering risk management to the impact of risk, the cost of risk reaction and the ability to handle risk (Barbera, Jones, Korac, Saliterer, & Steccolini, 2019; Bhavnani & Lacina, 2017; Wise & Witesman, 2019).

8. Risk Monitoring and Control

Risk monitoring and control is the final step in the risk management process, where the system is monitored to measure the efficiency of corrective actions and detect potential risks not identified in the previous step, this step can improve the risk management system (Ennouri, 2013). Risk monitoring and control must be carried out both ongoing and separately separate evaluation ongoing monitoring activities are reflected in supervision, reconciliation, and other routine activities. In the process of monitoring, it is necessary to pay attention to obstacles such as reporting deficiencies, namely reporting that is incomplete or even excessive (irrelevant). These constraints arise from various factors such as information sources, reporting material, the parties submitted the report and directions for reporting (Turner & Weickgenannt, 2020).

C. Material and Method

This section explains the research methodology used in this research, by conducting an in-depth collection of empirical data on the risks of any risks that arise in the implementation of public financial management. To collect empirical data, we follow a qualitative case study approach with various perspectives related to research (Maxwell, 2019) involving several government organizations.

This research uses case studies, the reason being that case studies are an effective tool for analyzing complex and specific problems in real life, case selection is not random but based in theoretical/selective sampling, with one local government selected because many stakeholders are involved with complex interactions that pose major challenges for the coordination and financial management of the local government (R. J. Yang, Zou, & Wang, 2016). The method approach in this study, using respondents' participatory techniques associated with in-depth interviews. In depth interviews are one of the best-known strategies for collecting qualitative data. The various qualitative interview strategies that are commonly used emerge from a variety of disciplinary perspectives which produce a wide variation between qualitative approaches (DiCicco - Bloom & Crabtree, 2006).

The experience of researchers as lecturers and public financial management consultants or regional governments in local governments in Indonesia facilitates access in data collection and respondents also influence the selection of one of the local governments in Indonesia as the object of research in this case study research. With personal closeness between researchers and respondents, it helps to collect various forms of empirical data relating to not only the design and implementation of this research but also how respondents are active in helping to collect research data. Because it is expected that research results help as one solution (Poggenpoel & Myburgh, 2005) in the implementation of financial management in the local government.

Data collection is driven by the aim of understanding risk research risks that arise in the implementation of local government financial management and how to obtain research solutions. Primary data was collected through structured in-depth interviews with respondents (see Table 5) from four different backgrounds: (a) The Ministry of Home Affairs as the main implementing agency for financial management in the region (b) Ministry of Finance as the budget provider for local governments (c) government agencies as executors of public financial management (d) experts in the field of public financial management risk management.

Table 4 Profile of Interviewees

Level Government	Position	Number of Interviews
National Level	Director-General of Regional Financial Development At The Ministry of Home Affairs Indonesia	1
	Director General of Budgeting of The Ministry of Finance Indonesia	1
Regional Level	Secretary of Garut Local Government	1
	Head of Garut Local Finance and Asset Management Board government	1
	Head of Garut Local Revenue Board government	1
	Head of Garut Local Development Planning Board government	1
	Head of Garut Local Inspectorate government	1
Expert Judgement	Doctor University Lecturer	2
Total		10

All respondents are guaranteed confidentiality and objectivity before the interview. The main purpose of the interview was to explore respondents' experiences and perspectives about public financial management activities at the study site. Interviews each lasted between 60 and 120 minutes. The interview is complemented by field-based discourse analysis of data documentation, the material on regional budgeting and expenditure. Risk in the implementation of public financial management, whether risk management has been carried out and material related to the risk management policies issued by the Ministry of Finance and the Ministry of Home Affairs as policymakers for the regulation of the implementation of public financial management at the local government level. Also, a broad review of publications in helping to understand the procedures, technical aspects of risk management in public financial management. Each source provides insight into risks and how respondents experience and think about risks in public financial management. All interviews were recorded and

then transcribed in detail and meticulously while *cross-checking* with research data in the field and documentation data.

D. Result and Discussion

The findings of this study have delivered some significantly useful evidences of the role of strategic supplier integration and strategic customer integration to improve financial performance in the drinking bottled industries in Indonesia. Thus, the study suggests that approaching of strategic customer integration has stronger influence than strategic supplier integration to achieve the financial performance.

Significant risks continue to color the Indonesian economy which can be a test of Indonesia's risk management framework which may occur sooner than anticipated (Triggs, Kacaribu, & Wang, 2019). For recovery and sustainable development, Indonesia needs a good and effective government. Indonesia's reforms to succeed, all decentralized regions must develop healthy regional economic development plans. Indonesia must apply the principles of good and effective governance, which means that it develops institutional capacity and leads to checks and balances at various levels of government (Tambunan, 2000). Indonesia is a unitary state that implements a decentralized government system by giving autonomy to regional governments (Ritonga, Clark, & Wickremasinghe, 2019). Delegation of authority and affairs of the central government, including managing its finances (Suhardi, Husni, & Cahyowati, 2019). Where the process of division of the budget from the central government level to regional governments to support the delegation of authority and the transfer of some government affairs to be more effective and efficient (Ritonga et al., 2019). The above literature is one of the reasons why the local government in Indonesia is the object of this research

Local government financial management is a risk-filled activity (Edwards et al., 2019). This is because of the number of funds managed by the local government. This was also experienced by the regional government which was used as the object of research, namely Garut Local as one of the regional governments that had such a large budget, had authority in carrying out the regional financial management and had to face risks in financial management. In the 2018 budget year,

the amount of the regional budget was Rp. 4.1 trillion with details as shown in table 6 below:

Table 5 Garut Local Government Development Budget fiscal year 2018 by Regional Finance and Asset

Management Board

Description	Amount (Rp.)
Regional Revenues	3.958.846.796.316,00
Expenditure	4.111.597.456.316,00
Surplus/(Defisit)	(-)152.750.660.000,00
Regional Financing	
a. Revenue	160.750.660.000,00
b. Expenditure	8.000.000.000,00
Financing Netto	152.750.660.000,00

Receipt of funds from the central government and the use of such large funds must be managed in an orderly manner, obeying the laws and regulations, efficient, economical, effective, transparent and responsible with due regard to the principles of justice, propriety, and benefits for the community (Duchacek & Duchacek, 2019). From the results of observations in the field, it is known that the management of local government finances has not been running effectively and satisfactorily. There are findings in the field about 1) from the data, it is known that there are findings of a weak internal control system in management that has not been fully regulated (The Audit Board Of The Republic Of Indonesia, 2019), findings have been followed up by 78.13%, while the remaining 9, 38% have been followed up but not according to recommendations and 21.88% have not been followed up; 2) The composition of employees in the regional government in financial management is not ideal, not yet effective, not efficient and not yet professional (Pratiwi, Jamaluddin, Nis waty, & Salam, 2019), this finding is in line with research), that there is no match between the HR needs of the regional government and employees received according to their skills; 3) The ability of regional financial independence, funding for development needs is still low. The ratio of PAD to total revenue has only reached 11% (Garut Local Government, 2019); 4) The results of the implementation of the flagship program "Amazing Garut" in the

form of infrastructure, education and health infra structure and infra structure development are at risk of not being completed on time when the fiscal year ends due to a late budget from the central government (Garut Regional Government, 2019).

The above problems, causing regional financial management activities will face the complexity of the problem, instability, and uncertainty that cause systemic risk (Steers & Nardon, 2014) and have negative connotations, are disliked and avoided (Moeller, 2011), This causes small and large losses which influences the continuity of administration of a regional government (Hanafi, 2014). Local governments will always face risks from both inside and outside (Deslatte & Swann, 2020; Luo, 2019; Tkachenko, 2020b; Tong & Zhang, 2020). The results of the study after analyzing the regional financial management of the Garut Local Government obtained the following results:

1. Risk Identification

In the research process the identification of financial management risks in the Garut Local Government is carried out through three approaches, namely with input from experts, discussions, and interviews, as well as data collection and processing carried out to identify these risks, ranging from financial statements, results of interviews and brainstorming, questionnaire analysis with respondents and input from the study of financial management of the regional government that focuses on the regional financial management cycle starting from planning and budgeting, budget execution, administration, reporting and accountability and supervision that results in a complete list of potential risks as outlined in table 7 below:

Table 6 Overview Risk Identification of Financial Management
Garut Local Government

Category of Risk	Description	Total Risks Identified	Reg.	Potential Risks
Risk Planning and Budgeting	The process of determining the amount of allocation of economic resources for each program and activity in the form of money units starts from the Preparation of the Regional Medium-Term Development Plan (RPJM D),	4 risk	1.	Correction or revision of the APBD when it is evaluated by the provincial government.
			2.	Lack of understanding of SKPD in the process of preparing Work Plan and Budgeting (RKA-

Category of Risk	Description	Total Risks Identified	Reg.	Potential Risks
	then downgraded to a Regional Government Work Plan, followed by a General Budget Policy (KUA), Memorandum of agreement and Guidelines for Compilation of Budget Work Plans (RKA) -KPD, compiled into APBD Plans and after being ratified as APBD.			SKPD) budgeting documents and Budget Implementation Documents (DPA-SKPD).
			3.	Lack of budgeting/ regulation/ operational guidelines/technical guidelines/SOP instruments used in the APBD preparation process
			4.	There is still a lack of understanding of the rules and accuracy of the assistance/ verification team in examining/verifying RKA-SKPD and DPA SKPD documents.

Budget Implementation Risk The	Regional government work unit carries out revenue and expenditure implementation activities and until the first semester is accounted for in the first-semester Budget Realization Report.	4 risk	5.	Implementation of budget absorption largely piles up at the end of the fiscal year.
			6.	The budget absorption is not in accordance with the budget allocation provided.
			7.	Lack of SP2D issuance mechanism for

Category of Risk	Description	Total Risks Identified	Reg.	Potential Risks
				overpayment The
			8.	Low awareness of tenants of social facilities I public facilities regarding the obligation to pay fees.
Administration Risk	Recording in an orderly, systematic and chronological manner for regional revenues and expenditures for one fiscal year	9 risk	9.	Delay in reporting employee data updates related to salary and child support, resulting in a frequent overpayment of family allowances.
			10.	Lack of storage space for financial records whereas financial records are valid for up to 20 years.

			11.	The optimal accuracy of asset data in each SKPD is not yet optimal.
			12.	HR financial manager in SKPD who is not from an Accounting education background.
			13.	There is no application system for regional cash receipts and disbursements that are connected between a

Category of Risk	Description	Total Risks Identified	Reg.	Potential Risks
				regional cash manager and bank of perception.
			14.	Not yet optimal in the integrity of the as set management application system to support accrual financial statements
			15.	Regulations related to government accounting standards still need to be adjusted.

			16.	Changes to regulations regarding the budget grants and social assistance at the time of budget had been ratified
			17.	Certification of the assets such as land which has not been optimally related to ownership proof markers.
Reporting and Accountability Risks	At the end of the budget execution period, budget users carry out accountability activities through local government financial reports, which consist of budget	2 risk	18.	Unorganized tax reporting centre both taxes income or value-added tax deposited by the treasurer of SKPD expenditure to the tax

Category of Risk	Description	Total Risks Identified	Reg.	Potential Risks
				service office.
	realization reports (LRA), balance sheets, cash flow statements, Notes to Financial Statements (CaLK). To assess the reasonableness of the financial statements, the Supreme Audit Board (BPK) conducts an examination of the regional government's financial statements by giving a fair opinion without exception, fair with an exception, not giving an opinion and an opinion not fair.		19.	Asset valuation procedures are inadequate.

Risk Oversight	A series of monitoring, examination and evaluation activities on the implementation of policies. Supervision is carried out to ensure that all program policies and activities are carried out in accordance with applicable regulations. Financial management oversight activities are carried out by the government internal supervisory apparatus, carried out by the Regional	7 risk	20.	Limited human resources supervision owned by district inspectorates.
			21.	Limited supervision time.
			22.	Limited supervision budget.
			23.	Auditee not or are less willing to cooperate
			24.	Documents supervision difficult I can not be obtained, either because of lost, damaged, or because it is the auditee

Category of Risk	Description	Total Risks Identified	Reg.	Potential Risks
	Inspectorate by providing guidance, supervision, training, and Consultancy			who deliberately do not want to hand over documents
			25.	existence of laws and regulations that impede supervision, such as rules regarding the confidentiality of bank and related tax audit
			26.	findings from supervision not followed up or utilized

Risk identification of Garut local government management's financial table in sees how much risk must be faced by local governments related to local financial management.

2. Risk Identification

Risk analysis and risk assessment aim to analyze and manage problems (Yoe, 2019a, 2019b), to facilitate the implementation of risk reaction (Tworek, 2015a). Risk analysis and risk assessment are needed by local government financial management, bearing in mind that risks can come from anywhere (Ostrom & Wilhelmssen, 2019). For this reason, local governments in managing their finances must be able to anticipate the possibility of risks (Triggs et al., 2019) and prepare for improvements if risks arise (Purdy, 2010; Sbragia, 2019).

The most common way to prioritize risk is to designate risk levels for each area of Level 1 (Extreme), level 2 (High), level 3 (Medium), level 4 (low), and level 5 (very low) areas, which are increasingly the greater the impact and likelihood rating, the higher the overall risk level (Tworek, 2015b), as explained in table 8 below:

Table 7 Risk Analysis and Risk Assessment Measurement Results

No.	Risk Type	Register	Risk	Likelihood	Impact
1.	Risk of Planning and Budget.	1.	APBD corrections or revisions when evaluated by the provincial government.	Likely	Worse Case
		2.	Lack of understanding of the SKPD in the process of preparing the Work Plan and Budgeting (RKA-SKPD) budgeting documents and the Budget Implementation Document (DPA-SKPD).	Likely	Major
		3.	Lack of budgeting instruments (regulations operational guidelines technical guidelines SOP) used in the process of preparing the APBD	Likely	Worse Case
		4.	There is still a lack of understanding of the rules and accuracy of the assistance/verification team in examining/verifying RKA-SKPD and DPA- SKPD documents.	Almost Certain	Severe

2.	Risk of budget execution The implementation of the budget	5.	Absorption largely accumulates at the end of the fiscal year.	Likely	Major
		6.	Absorption of the budget does not match the budget allocation provided.	Likely	Worse Case
		7.	There is no SP2D issuance mechanism for overpaid	Likely	Major
		8.	Low awareness of tenants of social facilities I public facilities regarding the obligation to pay fees.	Likely	Worse Case
3.	Administration Risk	9.	Slow reports on employee data updates related to salary and child support, resulting in a frequent overpayment of family benefits.	Possible	Major

No.	Risk Type	Register	Risk	Likelihood	Impact
		10.	Lack of storage space for financial records even though financial records are valid for up to 20 years.	Almost Certain	Major
		11.	Optimal accuracy of asset data in each SKPD is not yet optimal.	Almost Certain	Major
		12.	HR financial managers in SKPD who are not from an Accounting education background.	Almost Certain	Worse Case
		13.	There is no application system for cash receipts and disbursements that are connected between a regional cash manager and bank of perception.	Almost Certain	Worse Case

		14.	Not yet optimal in the integrity of the asset management application system to support financial statements on an accrual basis	Almost Certain	Worse Case
		15.	Regulations related to government accounting standards still need to be adjusted.	Almost Certain	Worse Case
		16.	Changes to regulations regarding the budget grants and social assistance when the APBD has been established.	Possible	Major
		17.	Certification of assets in the form of land that has not optimally related to ownership proof markers.	Likely	Worse Case
4.	Risk of Reporting and Liability	18.	Tax reporting has not been regulated by the central tax income or value-added tax deposited by the treasurer of SKPD expenditure to the tax service office.	Possible	Major
		19.	Asset valuation procedures are inadequate.	Possible	Severe
5.	Oversight Risk	20.	Limited supervision of human resources owned by the district inspectorate.	Almost Certain	Major
		21.	Limited time for supervision.	Almost	Severe

No.	Risk Type	Register	Risk	Likelihood	Impact
				Certain	
		22.	Limited budget oversight.	Almost Certain	Worse Case
		23.	Auditees are not or are less willing to cooperate	Almost Certain	Severe
		24.	Document oversight difficult I can not be obtained, either because of lost, damaged, or does not want to hand over documents	Almost Certain	Worse Case

		25.	Existence of laws and regulations that impede supervision, such as rules regarding bank secrecy and related to tax audits.	Almost Certain	Severe
		26.	Findings from supervision are not followed up or utilized.	Almost Certain	Major

The results of the risk analysis and risk assessment are then mapped to determine the main risks that must be prioritized to be addressed. The two dimensions are then made of an impact and likelihood matrix, as shown in the table below, where the matrix is then divided into five quadrants according to priority level or priority scale for handling risk. The following outlines the matrix results of the mapping of the likelihood and impact of risks related to Garut Regional Government financial management, which can be seen in Table 9 below:

Table 8 Matrix of Impacts and Likelihood Risk
Financial Local Government Garut

			IMPACT				
			1	2	3	4	5
			Minor	Moderate	Severe	Major	Worse Case
LIKELIHOOD	5	Almost Certain			4, 21, 23, 25	10, 11, 20, 26	12, 13, 14, 15, 22, 24
	4	Likely				2, 5, 7	1, 3, 6, 8, 17
	3	Possible			19	9, 16, 18	
	2	Unlikely					
	1	Almost Never					

From the likelihood and impact matrix, the risks that have been assessed can be categorized into 5 levels, namely: Level 1 (Extreme), level 2 (High), level 3 (Medium), level 4 (low), and level 5 (very low). Following are the results of the mapping of risk analysis and risk assessment based on the level shown by the percentage shown in Figure 3 below:

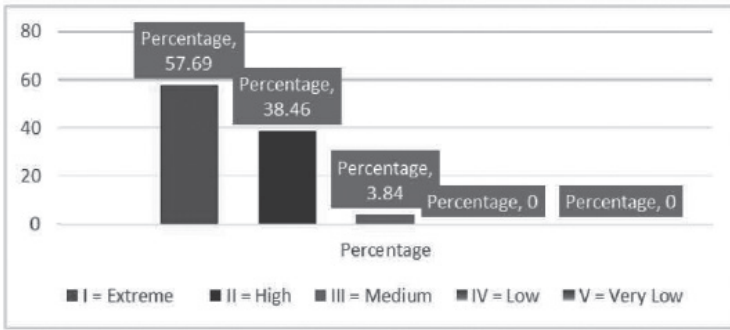


Figure 3 All Risk Level Percentage

The results of the graph above show the number of high risks faced, as many as level I as much as 57.69% and level II as much as 38.46% of overall risk, medium risk (level III) as much as 3.84%. According to Ramli (2011), risks that are included in the category of high risk (*high risk*) and very high (*extreme*) are unacceptable risks. This risk needs to be taken to prevent and reduce the level of risk to an acceptable level. Risk at extreme levels (Level 1), namely the lack of optimal integrity of the asset management application system to support accrual financial statements with the consideration of technology that is the main concern. This shows that the aspect of application system technology is the most important thing related to the implementation of the financial management of the Garut Local government. From the results of risk analysis and risk assessment, the priority level of each risk will be prioritized to be addressed, which can be seen in Table 10 below:

Table 9 Recapitulation Based on Risk Level

Risk Level	Register	Risk Potential	Risk Type
	1	APBD correction or revision when evaluated by the provincial government.	Planning and Budgeting Risk
	3	Lack of budgeting instruments (regulations/ operational guidelines/technical guidelines/ SOP) used in the process of preparing APBD	

	4	There is still a lack of understanding of the rules and accuracy of the assistance/ verification team in examining/ verifying RKA-SKPD and DPA-SKPD documents.	
	6	The budget absorption is not in accordance with the budget allocation provided.	Budget Implementation Risk
	8	Still low awareness of tenants of social facilities public facilities to the obligation to pay levies	
	10	Lack of storage space for financial records even though financial records are valid for up to 20 years	Administration Risk
	11	Not yet optimal accuracy of asset data in each SKPD.	
	12	HR financial managers in SKPD who are not from an accounting education background.	
	13	There is no application system for cash receipts and disbursements between regions connected to the regional cash manager and bank of perception.	

Risk Level	Register	Risk Potential	Risk Type
	14	Not yet optimal in the integrity of the asset management application system to support accrual financial statements	
	15	Regulations related to government accounting standards still need to be adjusted.	

	17	Certificate of assets in the form of land that has not yet been optimally related to ownership proof markers.	
	20	Limited human resources supervision owned by district inspectorates.	Risk of Monitoring
	22	Limited budget for supervision monitoring	
	24	documents that are difficult/ cannot be obtained, either because they are lost, damaged, or because the auditee is intentionally unwilling to submit documents	
	26	Findings from supervision are not followed up or utilized	
High	2	Lack of understanding of SKPD in the process of preparing documents budgeting Work Plans and Budgets (RKA-SKPD) and Budget Implementation Documents (DPA-SKPD).	Planning and Budgeting Risks
	4	Lack of understanding of regulations and assistance I verification team accuracy in checking I verifying RKA-SKPD and DPA-SKPD documents	
	5	The implementation of budget absorption mostly accumulates at the	Implementation Risk

Risk Level	Register	Risk Potential	Risk Type
		end of the fiscal year Budget	
	7	There is no SP2D issuance mechanism for the excess payment	
	9	Late reports on employee data related to salary and child support, resulting in a frequent overpayment of family benefits	
	16	Changes to the budget grants and social assistance at the time the APBD has been established	Administration Risk
	18	Disorderly reporting of taxation centers both tax income and value-added tax deposited by the treasurer in issuing SKPD to the tax service office	Reporting and Liability Risk
	21	Limited supervision time Supervisory	Risk
	23	Auditees do not or do not want to cooperate	
	25	The existence of legislation that impedes supervision, such as regulations related to bank secrecy and related tax audits	
Medium	19	Asset valuation procedures are inadequate	Risk Reporting and Accountability

3. Risk Reaction

Risk reaction is adjusted to the type of risk and the priority level of the risk. In this study, there are 26 risks that accept different risk management as shown in Table 11 below:

Table 10 Risk Level Reaction

Risk Level	Risk Potential	Risk Reaction	Implementation Solutions
Extreme	Correction or revised APBD when evaluated by the provincial government.	Dividing risk	Improving the ability of TAPD in the process of preparing the APBD
	Lack of budgeting instruments (regulations/ operational guidelines/ technical guidelines/ SOP) used in the process of preparing the APBD	Reducing the risk	Doing a copy of the documents needed in the APBD preparation process.
	There is still a lack of understanding of the rules and accuracy of the assistance/verification team in examining/verifying RKA-SKPD and DPA-SKPD documents.	Sharing the risk	Carrying out training, outreach and technical guidance on budgeting to all components of the budgeting HR in the SKPD
	absorption of the budget is not in accordance with the budget allocation provided.	Dividing risk	Optimizing the preparation of cash budget per 3 months (cash flow) The
	low awareness of tenants of land social facilities/public facilities of the obligation to pay levies	Reducing the risk	billing every maturity in accordance with the Regulations on Regional Levies
	Lack of storage space for financial files even though financial records apply up to 20 years	Reducing the risk	<ul style="list-style-type: none"> • Digitizing documents • Separating archives that have expired • Increasing HR • Improvement of facilities and infrastructure
	Not yet optimal accuracy of asset data in each SKPD.	Dividing risk	Arranging regional regulations, regent

Risk Level	Risk Potential	Risk Reaction	Implementation Solutions
Extreme			regulations, technical guidelines and SOP for financial and asset management as well as the reconciliation of assets updating the BMD census
	HR financial managers in SKPD are not from an accounting educational background.	Sharing the Risk	Conducting training and technical guidance to the accounting manager in the SKPD as well as the accounting certification exam.
	There is no application system for regional cash receipts and disbursements that are connected between a regional cash manager and Bank of perception	Reducing risk	Coordinating with Perception Banks to create a Cash management system
	absorption of the budget is not in accordance with the budget allocation provided.	Dividing risk	Optimizing the preparation of cash budget per 3 months (cash flow) The
	Not yet optimal synergy of the asset management application system to support accrual financial statements	Reducing risk	Developing existing regional asset management applications, especially goods inventory information
	Regulations relating to government accounting standards risk still need to be done adjustment.	Reducing the risk	doing renewal regional financial system in accordance with existing regulations
	Certificate of assets in the form of land that has not optimally related to ownership proof markers.	Sharing the Risk	of simultaneous coordination with the National Land Agency, as well as the elimination of regional assets that are

Risk Level	Risk Potential	Risk Reaction	Implementation Solutions
			already unfit for use
	Limited human resource supervision owned by the district inspectorate.	Dividing the risk	coordination of the Inspectorate with the Regional Employment Board to increase employee supervision
	Limited budget oversight	Reducing the risk	coordination with the inspectorate to make changes budgeting
	Document oversight difficult ;can not be obtained, either because of lost, damaged, or the auditee who deliberately do not want to hand over documents	Reducing the risk	Conduct socialization to the auditee about understanding local government oversight
	Findings from supervision are not followed up or utilized	Sharing risk of the Inspectorate Coordination with the Work Unit to follow up findings	
High	Lack of SKPD understanding in the process of preparing the Work Plan and Budgeting Budget document (RKA-SKPD) and Budget Implementation Document DPA-SKPD).	Dividing the risk Inviting the stakeholders involved in the process of preparing the APBD in the focusgroup discussion (FGD).	
	There is still a lack of understanding of the rules and the accuracy of the assistance team/verification check I verify documents RKA-SKPD and DPA SKPD	Dividing the risk Conduct training, outreach and technical guidance on budgeting to all the components of the HR budgeting in SKPD	

Risk Level	Risk Potential	Risk Reaction	Implementation Solutions
	Implementation of budget spending most of piling up, in the end, fiscal year	Share the risk of functioning	<ul style="list-style-type: none"> • The economic development bureau. • Acceleration through early auction announcements in the process of procurement of goods and services
	There is no SP2D issuance mechanism for overpayments	Reducing risk	Developing and updating financial and asset management application systems
	Slow reports on updating employee data related to salary and child benefits resulting in a frequent overpayment of family benefits	Reducing Risk	Optimization of the Staffing System with the process of updating employees
	Changes to regulations regarding the budget grants and social assistance when the APBD has been established	Reducing the risk	Controlling budgeting in accordance with the needs and regulations.
	Not yet an orderly reporting of good central taxation tax income and value-added tax deposited by the treasurer of the SKPD expenditure to the tax service office	Reducing the risk	compiling state tax and income tax reports in accordance with the regulations so as to create an accurate tax report
	Limited time for supervision of	Dividing risk	Coordination with the relevant work units to carry out additional oversight of the
	Auditee no or less willing to	Dividing risk	socializing to the auditee

Risk Level	Risk Potential	Risk Reaction	Implementation Solutions
	cooperate		about understanding the supervision of the local government
	Existence of laws and regulations that impede supervision, such as rules regarding the confidentiality of bank and related tax audit	Reducing risk	coordination with the Directorate of Taxation to undertake the MOU relating to the supervision of the local government
Medium	Assessment procedures inadequate assets	Reducing risk	Developing an integrated asset management system

The selection of risk management is carried out by taking into account the principle of cost and benefit for the government e regional governments, their impact on the likelihood of risk likelihood and risk impact, the possibility of opportunities arising and the need to consider their effects on other risks as well.

4. Risk Monitoring and Control

The Garut Local Government has had a systematic policy and procedure mechanism in the management of regional finances such as regional cash control, regional asset inventory, regional budget difference. However, communication and information have not been well documented. In monitoring each SKPD has a mechanism and policy/SOP to conduct evaluations in the management of regional finances, such as holding a reconciliation of financial statements with all SKPDs and following up on audit findings.

C. Conclusion

In this study, we analyze the implementation of risk management that focuses on the financial management of the Garut Local Government. The survey results show that the identified risks were 26 risks with risk-sharing at the level I as much as 57.69% and level II as much as 38.46% of overall risk, medium risk (level III) as much as 3.84%. The

results of the identification show that the risk management of the District Government of Risk will potentially experience many problems and obstacles that will arise if the implementation of risk reaction is not carried out in accordance with the recommendations in this study originating from the brainstorming of the implementation of focus group discussions conducted in this study.

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REGIONAL GOVERNMENT MANAGEMENT CONTROL IN THE IMPLEMENTATION OF RISK GOVERNANCE

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Regional Government Management Control in the Implementation of Risk Governance

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Abstract

This study aims to dig deeper into the effectiveness and consistency of the application of the Three Lines of Defense concept in local governments in the application of a risk management framework. The successful implementation of risk management is inseparable from the role of all individuals in the organization, from the leadership level to the executive level. Optimization of risk also needs to be supported by the implementation of a layered defence system from both the managerial and internal control sides. This study uses qualitative research methods with descriptive reviews. The data collection technique was carried out by in-depth interviews using a "verbal protocol" to research informants, observation and study documentation. Research informants are selected from risk

owners and risk leaders who are involved in policy, especially those who are directly involved in the risk management process. After being reduced and classified, data validation was carried out by triangulation of sources, triangulation of theories, and triangulation of methods. The results showed that a risk management structure that describes the division of tasks and responsibilities in risk management had not been established. This research offers novelty, namely that an effective risk management structure, apart from involving three lines of defence, must also apply the fourth line of Defence which is carried out by the external audit function and the fifth line of Defence which is carried out by the part of the law enforcement apparatus.

Keyword: Risk Governance, Local Government, Management, Management Structure.

A. Introduction

The activities of public and business sector organizations are constantly changing and developing along with changes in the internal and external environment of the organization (Christensen, L<Egreid, & Rovik, 2020; Finger & Brand, 1999; Senior & Fleming, 2006). Change in the internal environment can usually be controlled by management (Adamec, Rexroad, Leinicke, & Ostrosky, 2002; Langfield-Smith & Smith, 2003; Otley, 1994; Pablo, Reay, Dewald, & Casebeer, 2007). Meanwhile, changes in the external environment, such as changes in the democratic climate and regulations, are outside organizational control (Brief & Aldag, 1981; Guliyeva, 2020; Manz, Mossholder, & Luthanvs, 1987). Demands for change and improvement of organizational capabilities raise risks and opportunities for the organization (Conchuir & Conchuir, 2010). Risk relates to the possibility of failure and loss to the organization. Low-scale chances are not a cause for concern for the organization. However, large-scale risks can have an impact on not achieving the goals and mission of the organization (Rochette, 2009).

The risk of not achieving organizational goals and programs does not only occur in the business sector but also appears in the government sector (Leung & Isaacs, 2008). Therefore, government agencies need to carry out risk management. Failure of goals and missions for public

organizations can result in distrust from the public for the services provided (Oulasvirta & Anttiroiko, 2017a). In the worst circumstances and as ever, mistrust can lead to loss of credibility of the organization concerned. Risk management becomes a strategic need (Clarke & Varma, 1999) and determines the performance improvement of the organization (Jan Kopia, Vanessa Just, Wiebke Geldmacher, 2017). The risk that is managed optimally even creates various opportunities for the organization concerned (Purdy, 2010). Risk management is needed to optimize the use of the organization's limited resources (Mearns, Flin, & O'Connor, 2001). The allocation of resources is based on risk priority starting from the highest scale risk. Likewise, existing risk management needs to be evaluated periodically through control activities (internal control) (Pablo et al., 2007).

Government organizations are currently required to have risk management, including government agencies (Saidon & Said, 2020). The many uncertainties faced by government agencies in carrying out their main tasks and organizational functions have caused government agencies to begin to improve by starting to prepare for risk management implementation (Edwards, Griffith, Burton, & Mackey, =19). Anything that hurts the achievement of organizational goals can be called risk. Risk always affects the achievement of goals which is an event that has not yet happened. If it does happen, it hurts the organization. For that, risk management is needed. The goal is to minimize the risks that will occur. Risk needs to be managed to achieve organizational goals (Guliyeva, 2020; Rockafellar & Uryasev, 2013).

Risk management starts with the awareness of the government to realize that the risk must exist within an organization (McLucas, 2.003). The implementation of sound risk management must ensure that the organization can provide proper treatment of troubles that will affect it (Bento, Mertins, & White, 2018). Information on risk management is beneficial for all levels in the government structure, especially for stakeholders to carry out risk analysis so that the expected returns can be met.

Management structure support from every level is significant and essential for an organization to carry out every operation, especially support from top management (Crawford, Crowley, Potter, Saunders, & Johnston, 2018; Hardy, 2014). The form of support can be explicit or implicit, for example, top management supports and participates in

formulating/approving the mission and vision, procedures and policies related to risk management (von Hagen & Harden, 1995). Management support can also be demonstrated through management participation in risk management programs (Bartlett & Dibben, 2002). It can be said that the risk management structure is tasked with and is responsible for coordinating, facilitating and overseeing the effectiveness and integrity of risk management processes that are in charge of and are directly responsible for day-to-day risk management and control (Hardy, 2014; Rodriguez Bolivar, Navarro Galera, Alcaide Mufioz, & Lopez Subires, =16).

Strengthening management effectiveness in dealing with governance risks through structured, measurable, comprehensive and sustainable implementation needs to be carried out to support increased performance, transparency and accountability of government through management of government administration that is oriented towards sensitivity to all possible events that may hinder the achievement of objectives. The establishment of a risk management structure and risk management process is necessary to support the effectiveness of risk management. These reasons make this study have a high novelty value because it seeks to find other dimensions/factors/variables of support for government structures in the risk governance process in realizing the achievement of government goals itself (Hardy, 2010; Long, 1975; Meyer, Meyer, & Kot, 2017; Power, 2004; Rodriguez Bolivar et al., 2016).

B. Literature Review

1. The Concept of Governance and Risk Governance

Governance and risk governance becomes an integral part of managing the work chain process of an organization. Organizations can run effectively if the governance and risk governance processes carried out by the organization can run optimally (Peters & Pierre, 1998; Rhodes, 1996; Van Asselt & Renn, 2011). Organizational dynamics as a result of dynamic internal and external influences require management that contains governance and risk governance principles, including transparency, accountability and participation. Organizational dynamics also have an impact on the emergence of various potential risks that threaten the achievement of organizational goals (Van Asselt & Renn, 2011). Governance and risk governance is a solution for controlling

corporate risk through concrete risk mitigation measures. Governance and risk governance as a whole can be described in more detail in each component, both the governance and risk governance components. The following is an explanation of each element as an element of support for successful governance and risk governance in managing a public organization (Peters & Pierre, 1998; Rhodes, 1996).

Governance is the most prominent central issue in the management of public administration today (Roberts, 2020; Schomaker & Bauer, 2020). Authority arises because of irregularities in governance, thus encouraging the awareness of citizens to create a new system or paradigm to oversee the course of government so that it does not change from its original purpose (Koppenjan & Koliba, 2013; Torfing, Andersen, Greve, & Klausen, 2020). The demand to realize government administration that can support the smooth and integrated implementation of governmental administration duties and functions can be learned by practising good governance (Beeri, Uster, & Vigoda-Gadot, 2019). The concept of governance involves not only the government and the state but also the roles of various actors outside the government and the state so that the parties involved are inclusive (Addink, 2019). It is further argued that governance is a mechanism for managing economic and social resources that consist of the influence of the state sector and the non-government sector in a collective activity (Gisselquist, 2012).

Building good governance is changing work management, making the government accountable and building actors in government to play a role in creating a new system that is generally useful (Gisselquist, 2012; Khouya & Bena bdelhadi, 2012). In this context, there is no single development goal that can be well realized only by changing the characteristics and workings of state and government institutions (Basu, Brown, & Devine, 2017). The essence of the concept of good governance as described above is that the strength of the idea of government lies in the activity of the state, public and private sectors to interact. Therefore, good governance, as a social project, must look at the conditions of the sectors outside the country, so that there is an interconnectivity between the sectors that make up governance (Agrifoglio, Metallo, & di Nauta, 2020; Basu, Devine, & Wood, =17; Bozhikin, Macke, & da Costa, 2019; Jugend, Fiorini, Armellini, & Ferrari, 2020; Pahl-Wostl, 2019)

Governance comes to be a new trend in the management of the public interest by offering a more inclusive format and opening intensive interaction between various actors outside of government, both business people and civil society (Arts, 2014; Borins, 2000, 2001; Leblanc, 2020; G. Li & Wu, 2020; Wu & Walker, 2020). In essence, among the many diversity in the emergence of governance discourse, the basic idea for the emergence of this concept is the existence of economic liberalization that occurred in the United States and Britain which then spread as a new approach in the practice of governance in almost all countries in the world (Abrahamsen, 2004; Hout, 2009). In subsequent developments, the notion of government has become so diverse as a logical consequence of actual products and changes at all levels of public life which are increasingly influenced by two main forces, namely globalization and political democratization. Mention, among others, good governance (Haliah & Nirwana, 2019; Weiss, 2000), collaborative governance (Chris & Alison, 2008), network governance (Kapucu & Hu, 2020; Provan & Kenis, 2008), partnership governance (Righetti, 2020; Vivek, Richey, & Dalela, 2009) and adaptive governance (Chaffin, Gosnell, & Cosens, 2014; Lemos, 2007).

According to Scharpf (1997), the existence of democratization in government such as encouraging participation, equality, and more transparent and accountable management also contribute to shifting the format of public service management from government to governance. Various versions of the definition have emerged to make clear what is meant by governance. However, the reference that is often used as the basis for discussing this concept is the World Bank report in 1989, which became known as the Washington Consensus. In essence, governance is the broadest possible involvement of actors outside the government and limits government intervention in the administration of its government (Kaufmann, Kraay, & Mastruzzi, 2003; Shah, 2006). This is also supported by the development of the term governance which continues to change and tends to expand its meaning because, in current products, the government does explain not only the inter-organizational relationships but also administration as a value. This can be seen from the opinion of Rhodes (1996) which defines governance in seven definitions, namely corporate governance, new public management, good governance, interdependence, as a cybernetic social system, as a new political economy approach, and governance as a network (Rhodes, 1996).

Concerning the concept of risk governance, the definition of governance above clearly directs the importance of risk awareness, namely government as the owner of a risk. The keywords of equal position and opportunity in the public policymaking process are in line with the concept of governance as the exercise of political power to manage a nation's affair which is a starting point for understanding governance for several reasons (Leftwich, 1993; Rose & Miller, 1992). Among other things: 1) that good governance is neutral and impartial or shows the domination of certain actors (Weiss, 2000). 2) that good governance also does not take sides explicitly, whether public services should be carried out by the government or by the private sector (S. Li, Park, & Li, 2003). 3) This definition of governance shows that managing public affairs requires a role not only of the government, thus emphasizing the need for the government to build a culture of risk awareness (Kopric, 2012). In another sense, risk governance is a pillar of the achievement of the principles of good government that prioritizes interaction between actors in its realization.

The governance coverage consisting of Internal Control and External Control, as stated in the following figure, emphasizes the importance of risk management. Both internal control and external control emphasize the importance of risk and power for the organization.

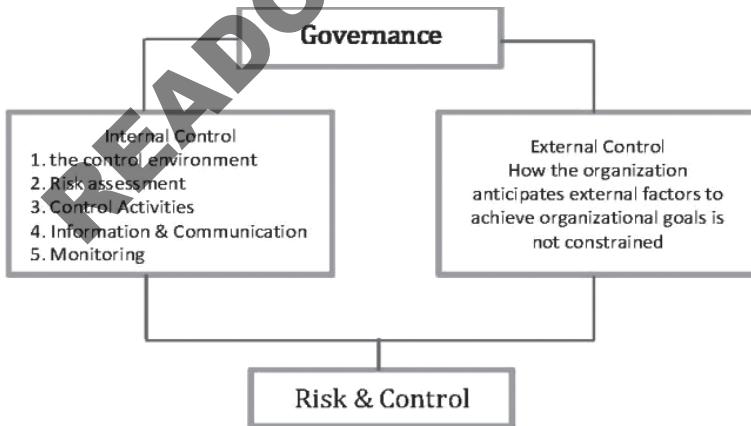


Figure 1 Governance Scope

The concept of public sector governance risk control (GRC) is adopted and developed from the idea of Enterprise Risk Management (ERM) (Arena, Arnaboldi, & Azzone, 2000; Beasley, Branson, & Hancock,

2010; Moeller, 2009; Rochette, 2009). According to the ERM concept, every organization, both profit and non-profit, must provide value to stakeholders. The value must be created through management decisions based on strategy setting to operational policies (Aziz, Manab, & Othman, 2016). In providing this value, the public sector GRC concept discusses a lot of potential future events that create uncertainty. It is essential to do in public sector GRC is a response to risk to reduce the chances of these risks occurring. Based on this figure, organizational goals are seen in 4 (four) categories, namely strategic, operational, reporting and compliance objectives. Thus, ERM divides corporate activities into 3 (three) levels, namely the overall organizational level, division level and business unit processes. Public sector management responds by compiling a risk portfolio at the business unit level and entity level.

The terms risk and risk management have long been recognized in the insurance industry. In this case, the risk is viewed as a loss that is estimated and measured using a direct probability estimation methodology multiplied by the value of the assets exposed to the risk, as the basis for determining the amount of insurance premium to be paid by the insured. In its development, risk management has expanded the scale of activities, not only related to insurance but has and must become an integral part of business management. All members of the organization must have awareness and concern about risks and how to manage risks faced by the organization within the limits of their respective authority. Risk and risk management must be placed in an organization-wide perspective.

Hopkin (2018,) explains that risk management was first developed in the United States, especially in the insurance management function in the 1960s. Then, risk management began to be applied by large companies in the United States in other functions such as taxation, treasury, human resources, procurement of goods/services, and logistics. However, Chapman (2009), explains that in practice, these functions carry out risk management separately without any coordination between parts in one organization. Hopkin (2018), explains that the implementation of risk management that is carried out without coordination between tasks within an organization is called silo-based risk management. The problem that arises from the implementation of silo-based risk management is the presence of risks in a processor unit that is connected to risks in other functions or units or is called interconnected risks so that

without coordination between parts it will result in risks that are not mitigated. because there is no clarity of responsibility and coordination (Hopkin, 2018; Hoyt & Liebenberg, 2011)

The limitation of silo-based risk management which is not effective in supporting the achievement of organizational goals is the background for the birth of a more integrated and strategic risk management approach, namely Enterprise Risk Management (ERM), which is a risk management concept that is more strategic in capturing significant organizational risks from the perspective of achieving strategic objectives, taking into account a comprehensive spectrum of risks and their consequences as a portfolio of interrelated risks to ensure that threats have been analyzed, mitigated and monitored (Bromiley, McShane, Nair, & Rustambekov, 2015; Chapman, 2011; Eaton et al., 2019; Hopkin, 2018; McShane, 2018).



Figure 2 Change In Risk Management

Every organization, whether in the form of a company or a government, has strategic objectives to be achieved. Hardy (2014) explains that both have goals to achieve maximum performance and protect assets and take advantage of current opportunities. Organizations in the private sector use a return-driven strategy (RDS) to achieve their goals. Meanwhile, in the government sector, it is achieved with a mission-driven strategy (MDS). The company has a strategic plan for maximizing shareholder wealth (shareholders' value). This means that the capital provided by shareholders is needed by the company to carry out its business activities. For the provision of capital, shareholders expect a return in the form of a maximum increase of the invested capital with a level of risk that must be faced by shareholders (Chapman, 2011). On the other hand, the MDS approach is initiated from the question "has the organization taken the right steps for the right reasons?" and "has the organization focused on the right initiatives and goals?". In

the government sector, government agencies also focus on carrying out their services to internal and external stakeholders (Frigo, 2003; Hardy, 2014).

Although in terms of strategy, there are differences between the private and government sectors, both have similarities in terms of formulating practical strategic goals. This explains that there are still many organizational leaders who do not understand the strategic objectives of their organizations and how they develop these strategic goals (Rodrik, 2001). The task of the organizational leader is to communicate to organizational executives how to set goals, formulate them, and the meaning of each word composed of these goals (Agrawal, Hoyt, & Wilson, 2020). This is important because setting organizational goals and planning activities are the essential steps in the organizational management process. (Doran, 1981) suggested that in a formulation of objectives should refer to the Specific, Measurable, Assignable, Realistic, and Time-related (SMART) indicators. Specific means that the organizational goals must show improvement targets in particular areas; Measurable standards that the organizational goals can be measured in quantity or progress can be calculated; Assignable means that the parties working towards achieving the plans have been precisely determined; Realistic standards that the target of these goals must realistically be achieved by considering the resources owned; Time-related means that there is a time frame to determine when the set goals can be achieved (Doran, 1981; Mathieu, Rennotte, Romain, Vosse, & Al Shehri, 2009; Oulasvirta & Anttiroiko, 2007).

Over time, the SMART indicator continues to develop, but in substance, it remains the same. Bogue (2003) and Frigo (2003) establish these indicators to be Specific, meaning that organizational goals must show specific expected results; Measurable means that the organizational goals can be measured in quantity or progress can be calculated; Achievable means that the goals set can be achieved; Realistic means that the target of these goals must be realistically achievable by considering the resources owned and external factors that can and cannot be controlled; Time-based implies that there is a time frame to determine when the set goals can be achieved (Bogue, 2003; Doran, 1981; Frigo, 2003).

McShane (2008) argues that the existence of ERM is not aimed at eliminating all existing risks, but rather provides information to

organizations about how organizations allocate risks according to organizational strengths and reduce risk to vulnerable parts of the organization. Fraser & Simkins (zmo) added that especially in developing countries, the application of ERM is critical due to several factors such as a more unstable environment, inconsistent policies, uncontrolled growth rates, riskier market environments, and high frequency of corruption.

Governance uses controls to minimize risk. Control is also used to control government and mitigate risk. Right governance processes will result in the optimal achievement of organizational goals through optimal risk control and supervision. In the end, the comprehensive implementation of governance and risk governance will optimize value for the organization while ensuring that organizational goals are achieved (Kim & Lu, zon; Knechel & Willekens, zoo6; Moeller, 2007).

2. Risk Management Structure

Everyone who works for the organization needs to be made aware of their risk management responsibilities. There needs to be a clear statement of responsibility for the management aspects of each risk (Hopkin, zm8). Detailed responsibilities will ensure that the roles of risk owner, process owner, internal audit, risk manager, risk management function, all employees are clear and understandable.

The implementation of risk management is the responsibility of all parties involved in an organization. This principle is the basis for the performance of the three lines of Defense in risk management. Three lines of Defense as a model in addressing how specific tasks, related to risk and control, can be assigned/determined and coordinated within an organization, and this depends on the size and complexity of the organization (Auditors, zm3).

This model deals with the division of roles and responsibilities for implementing risk management and internal control in the organization. Simply put, the three lines of Defense divide the roles and responsibilities of risk management and control into three lines or layers within an organization. The first line is the party who is the core and the main person in charge of operations which must carry out their duties with due regard to risk, control, regulation and the environment. The second line is the function that monitors and maintains compliance and provides input to the first line. The

third line is the internal audit function which checks and assesses objectively and then provides feedback so that the first and second lines function correctly. The pattern to be built is when the first line fails it is expected to be detected or backed up by the second line, then if the second line also fails it will be seen by the third line (Anderson & Eubanks, 2015; Kim & Lu, 2011).

The Three Lines of Defense model is a significant effort to provide clear task delegation and reliable communication in the application of risk management (Luburic, Perovic, & Sekulovic, 2015). In the context of risk management, the first line is management as the owner of the risk who is responsible for identifying, assessing, and managing risks in daily activities, including implementing controls. In the second line of Defense, risk management functions such as the Chief Risk Officer (CRO), Risk Manager and Risk Management Unit (RMU) are responsible for formulating risk management guidelines, providing training for the first line, and reporting its implementation to the Board. In the third line of Defense, internal auditors are assigned to provide independent assurance regarding the effectiveness of risk management carried out by the first and second lines of Defense. The Risk Management Committee, as a representative of the Board, oversees the implementation of the Three Lines of Defense (Davies & Zhivitskaya, 2018; Luburic et al., 2015).

In the Three Lines of Defense model, management control is the line of defence risk in risk management, the various control risks and compliance functions defined by the government are the second line of Defense, and assurance is the third. Each of the three "lines" plays a different role in the organization within the broader governance framework (Luburic et al., 2015).

The three lines of the model defence distinguish between the three groups (or lines) involved in the effectiveness of risk management, namely the functions that own and manage risk; The role that oversees risk; and a process that provides independent assurance. As the first line of Defense, managers hold operations and manage risk. They are also responsible for implementing corrective actions to address process and control deficiencies (Auditors, 2013).

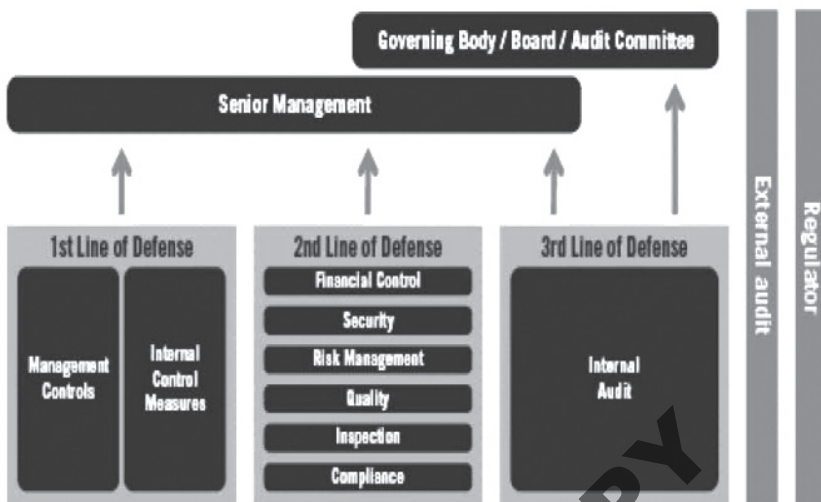


Figure 3 The Three Lines of Defence Model, Institute Of Internal Auditor, 2013
First Line of Defence: Operational Management

Operational management is responsible for maintaining adequate internal controls and for executing risk and control procedures on a day-to-day basis. Active management identifies, assesses, rules, and mitigates risk, guides the development and implementation of internal policies and procedures and ensures that activities are in line with goals and objectives. Through a stratified responsibility structure, middle-level managers design and implement detailed strategies that serve control and oversee the implementation of their procedures by employees (Sadgrove, 2016).

Operational management is naturally the line of the first line of Defence because controls are designed to systems and processes under the guidance of operational management. There must be adequate managerial and supervisory controls in place to ensure compliance and to oversee further clarification of rules, inefficient processes and unforeseen events (Arwinge & Olve, 2017; Potter & Toburen, 2016).

Second Line of Defence: Risk Management and Compliance Function
 In a perfect world, perhaps only one line of Defence would be needed to ensure the effectiveness of risk management. In the real world, however, a single line of Defence is often insufficient. Government establishes various risk management and compliance functions to help

build and/or monitor the first line of Defense (Auditors, 2013; Luko, 2013). Specific procedures will vary by organization and industry, but typical functions within this second line of Defense include (Arwinge & Olve, 2017; Auditors, 2013; Luko, 2013; Potter & Toburen, 2016; Sadgrove, 2016):

1. The Risk Management function (and/or Committee) that facilitates and monitors the implementation of the effectiveness of risk management practices by operational management and assists risk owners in defining risk targets and adequate reporting of risks related to information throughout the organization.
2. Compliance function to monitor certain risks such as non-compliance with laws and regulations. In this sense, a separate function reports directly to senior management, and in some business sectors, straight to government agencies. Multiple compliance functions often exist within a single organization, with specific responsibility for the type of monitoring compliance.
3. A controllership function that monitors financial risk and financial reporting.

Then, in the second line of Defense, according to JRS Fraser (2016), it is stated that risk management functions such as the Chief Risk Officer (CRO), Risk Manager and Risk Management Unit (RMU) are responsible for formulating risk management guidelines, providing training for the first line, and report the implementation to the head of the agency. The risk management process is not an activity that stands alone but is an integral part of business processes and organizational processes. Everyone who has work goals must apply risk management to ensure the achievement of their work targets better. Thus, the task of risk management is to enable everyone to carry out risk management well to ensure the accomplishment of their work goals. In the aggregate, it is the achievement of the purposes of the organization itself. Following its position in the 2nd line of Defense in the Three Lines of Defense model, it can be argued that the risk management work unit is part of management; the risk management work unit must be independent of other business organizations and operations; the risk management work unit has the function of developing and supervising the implementation of risk management by all business units and other processes; the risk management

work unit is responsible for risk management reports, including the effectiveness of the risk management framework, implementation of a risk management roadmap, corporate risk profile, risk management performance and progress of risk planning and risk management work; The risk management work unit must have access to communication and report to the head of the agency.

Third Line of Defense: Internal Audit

Internal auditors provide Government Agencies and senior management with comprehensive assurance based on the highest levels of independence and objectivity in the organization. This high degree of autonomy is not available in the second line of Defense. Internal audit provides assurance of effectiveness in governance, risk management, and internal control, including how the first and second lines of Defense achieve risk management and control objectives (Kim & Lu, 2004).

Lundqvist (2014) compiles four pillars that support the implementation of risk management, namely the first two pillars are general prerequisites for implementing risk management within an organization; one pillar is a holistic infrastructure of risk management. The last pillar is a specific risk management process, namely, identification and risk assessment. Lundqvist (2014), also emphasizes that the third pillar, namely the holistic risk management organization, is the central pillar which is the infrastructure of risk management implementation. This pillar consists of several sub-pillars, including those related to the parties within the organization who are responsible for implementing risk management.

A board-level committee in charge of overseeing risk management. Beasley, Branson, & Hancock (2010), state that to optimize supervision, the Board can delegate supervision by forming a committee that oversees the implementation of risk management explicitly and receives direct reports from the government regarding the risk management process. One of the backgrounds of the delegation is based on the importance of knowledge. Comprehensive risk management Moeller (2004), argues that many risk management activities are essential for organizations so that decisions and planned actions must be supervised and approved by the risk management committee.

Risk management. To provide support in the implementation process through specific competencies related to risk management, local governments appoint a risk manager who is supported by a particular risk management unit for large-scale local governments and only a risk manager for small-scale local governments. At the level of monitoring the implementation of risk management and assessing its effectiveness, responsibility is given to internal auditors (Arena et al., 2010).

C. Method

This study uses a descriptive study research method. The data collection technique was carried out by in-depth interviews using the "verbal protocol" to research informants, observation and study documentation. Research informants were selected from the actors (risk owners and risk leaders) involved in policies, especially those directly involved in the risk management process. After being reduced and classified, data validation was carried out by triangulation of sources, triangulation of theories, and triangulation of methods.

D. Result and Discussion

The application of risk management will not run effectively without a risk culture (Roeschmann, 2014). Positive risk culture is that all parties in the organization, from the leadership to the executor, understand their respective roles in implementing risk management (Bento et al., 2018). The implementation of risk management requires control and supervision, so it is necessary to establish a risk management structure (Brown & Osborne, 2013; Oulasvirta & Anttiroiko, 2017a). Within the organization, there are boundaries between activities related to an internal audit, risk management, and compliance which are not always well defined. So that it seems that they overlap and sometimes rely on each other so that the implementation of risk management is not practical, for this reason, clear responsibilities must be defined, so that each group understands their role in addressing risks, controls, aspects for which they are responsible, and how they coordinate with other parties. So that there are no gaps in addressing risks and controlling or duplicating unnecessary or unintentional efforts.

Responsibilities in risk management make it clear that everyone who works for the organization needs to be informed about their

risk management responsibilities. There needs to be a clear statement of responsibility for the management aspect of each risk. Detailed responsibilities will ensure that the roles of risk owner, process owner, internal audit, risk manager, risk management function, all employees are clear and understandable (Hopkin, 2018). The implementation of risk management should be the responsibility of all parties involved in an organization. This principle is the basis for the implementation of the three lines of Defense in risk management. The latest trend regarding risk management which is best practice is the three lines of Defense as a model in addressing how specific tasks, related to risk and control, can be assigned/determined and coordinated within an organization, and this depends on the size and complexity of the organization. The three lines of Defense are a model that has an essential component in working together, where the first line of Defense is carried out by front line staff and operational management. The systems, internal controls, control environment, culture developed and implemented by the business unit are very important in anticipating and managing operational risk. The second line of Defense is carried out by the risk management unit and compliance function. These functions provide the necessary oversight, tools, systems and advice to support first-line risk identification, management and monitoring. The internal audit function carries out the third line of Defense. This function provides an adequate level of independent assurance that the risk management and internal control framework is working as designed.

First Line of Defense

Implementation of internal government control through the application of risk management, especially in the risk management structure within local governments, in the context of risk management, on the first line, namely administration as a risk owner who is responsible for identifying, assessing and managing risks in daily activities, including implementing the control, not yet fully implemented effectively. The implementation of a risk management structure consisting of policies, guidelines, risk management committees, job descriptions and reporting has not met expectations. In general, respondents think that policies, procedures, risk management committees, job descriptions and reporting have not been fully implemented because there is still a significant

gap between expectations and reality, this gap shows that the implementation of internal government control through the application of risk management, especially in the management structure. Risks in local government circles still need to be increased to meet respondents' satisfaction expectations. Based on research through document reviews, the provincial government already has a regulatory basis related to the application of risk management within the local government, namely a risk management policy which states that in the context of controlling and supervising control over the implementation of risk management in the local government, a risk management structure has been established consisting of: 1) local government risk management committees, which control the level of local government policies; 2) OPD Head, who controls the operational level; 3) the local government inspectorate as a risk management compliance unit, which supervises control over the implementation of risk management.

Besides, some local governments in Indonesia already have guidelines for the implementation of risk management, which state that the performance of a risk management process includes communication and consultation activities, setting the context, risk identification, risk analysis, risk evaluation, risk mitigation, and monitoring and review. However, up to the time of the research, the regulation had not been implemented in a structured, measurable, comprehensive and sustainable manner following the stipulated policy.

A risk management policy is a statement of intention and commitment of agency leaders to implement risk management and contains an overview of its application (Hood & McGarvey, 2002; Power, 2004; Sadgrove, 2016). There are two types of risk management policies. 1) a statement supported by a separate Risk Management Handbook, 2) a book containing a risk management policy statement followed by details of risk management procedures and governance. Risk management policies must be disseminated to all levels of agency employees, as well as to all relevant stakeholders (Hood & McGarvey, 2002.; McShane, 2018).

Second Line of Defense

Following the function and position of the risk management work unit, the scope of work of the risk management work unit includes:1) designing risk management policies to be approved by the head of

the agency: 2) preparing manuals and risk management procedures for approval by the head of the agency; 3) compile a risk management implementation plan to obtain permission from the head of the agency and carry out a detailed description of the project for implementation; 4) compiling risk criteria, including criteria for risk appetite, risk limits and risk tolerance for approval by the agency leadership; 5) designing the appointment of risk owner and risk control owner as well as risk officer/champion at the structural level and if necessary at lower levels, to be approved by the head of the agency; 6) planning and conducting tiered training on risk management from the head of the agency to the executive level in the field. Special training for risk officers/champions to become trainers for their work units; 7) assisting the implementation of risk management in all agencies in stages according to the plan, capability and competence of the unit to implement risk management; 8) monitoring and reviewing the risk management implementation process according to the predetermined road map. Also monitoring and examining the effectiveness of the risk management framework and risk management performance, as well as the progress of existing risk handlers; 9) assisting the integration of risk management in business and organizational processes to obtain optimal benefits from the application of risk management; 10) carry out risk management reports to agency leaders regularly and take corrective actions on the findings of monitoring and review results; n) establish an internal risk management communication forum to improve communication and exchange of information and risk management techniques, as well as to foster a risk awareness culture; 12) developing organizational capabilities in risk management through the preparation of a risk information system, capacity building on risk assessment techniques, risk database preparation (risk library), benchmarks and comparative studies, short in-house seminars, and others; 13) specifically designing a risk awareness culture fostering program in the organization in conjunction with a regulatory and regulatory compliance program.

Regarding the application of risk management in this second line of Defense, local governments do not have a legal umbrella that forms the basis for its implementation explicitly. The risk management policy has not regulated the risk management structure in the second line of Defense. It has not regulated the existence and role of the second line of Defense, namely the function of the risk management

unit, so it cannot be implemented yet. Even though the part of the risk management unit is essential because generally, the competencies related to risk management between one unit and another unit in the organization are not the same, so it is necessary to have a unit specifically responsible for developing a risk management system and assisting functional units within the organization.

Based on the results of interviews with key informants as described above, they believe that there is no need for a permanent risk management organization formation process. In comparison, Collier & Woods (20n), argues that at the local government level, the implementation of risk management should be supervised by a risk management committee. To provide support in the implementation process through specific competencies related to risk management, local governments appoint a risk manager who is supported by a particular risk management unit for local governments. At the level of monitoring the implementation of risk management and assessing its effectiveness, responsibility is given to the internal auditor. The previous efforts have not been fully implemented by local governments, even though a culture of awareness has been developed, even though risk management awareness has been understood and understood through socialization and supported by the decision of the regional head regarding the application of risk management in local governments. Still, at the OPD level, it has not been fully implemented; this is due to different perceptions about risk management.

All informants gave almost similar answers that establishing a clear structure and pattern of responsibility related to risk management and control within the organization was deemed to have not resolved the problem. Because there is already an internal control system in each OPD, it is not necessary if the risk management function is to be used as an ad hoc unit or a unit that is formed permanently within the organizational structure.

Although there is no standard model or guide in the preparation of organizational infrastructure in risk management, the most important thing is the clarity of accountability and responsibility to encourage the implementation of risk management based on an exact and designated function. Each organization must prepare the risk management organization infrastructure according to the needs and types of risks faced.

Therefore, the risk management culture encourages policymakers in the public sector to implement proactive risk management. Risk has always been an important focus, evaluated periodically, and its impact on the objectives of the entity is measured. Starting from employees, executives, stakeholders, to regulators, they must understand that risk is an essential factor that needs to be considered in every action and decision making.

However, some of the Regional Government OPDs do not fully understand the position of the risk management organization. They only know that risk management is essential, but not with an adequate structure. Risk management is designed to be able to identify, analyze and control risks that may occur in every activity process carried out. If government agencies already have and implement effective risk management, the risks faced by the government have been identified and managed in such a way to a certain level that is acceptable to the government.

Third Line of Defense

In the third line of Defense, the internal auditors are assigned to provide adequate independent assurance regarding the effectiveness of risk management carried out by the first and second lines of Defense. Besides, the Risk Management Committee as a representative of the head of the agency is assigned to oversee the implementation of the Three Lines of Defense (Luburic, 2017). The core task of the internal auditor concerning risk management is to assure that risk management activities are carried out effectively in providing reasonable assurance of the achievement of organizational goals. Two important ways to carry out its duties are to ensure that the principal risks of the organization are appropriately handled and ensure that risk management and internal control activities are carried out effectively.

The core role of internal audit in risk management is the service-related activity of providing confidence in the design and effectiveness of risk management processes; provides assurance that the risks are appropriately evaluated; evaluate risk management processes; evaluate reporting on the status of critical risks and their controls; review the management of critical risks, including the effectiveness of controls

and other responses to those risks. Different additional roles that may be performed in consulting services coupled with adequate safeguards for independence and objectivity include initiating the establishment of a risk management structure within the organization; develop risk management strategies for approval by agency leaders; facilitate risk identification and evaluation; management training on responding to risks; coordinating the risk management process activities; consolidate reports on risks; maintaining and developing a risk management framework.

The role in risk management that should not be performed by internal auditors is to manage risk interests, implement risk management processes; guarantee risk management; make decisions on risk responses; implement response and risk management on behalf of the government; risk management accountability. To maintain the effectiveness of internal audit activities, the responsibility given to internal auditors regarding risk management activities must be designed so as not to interfere with their independence. This is because internal audit has a vital role in supervising, monitoring and assessing the effectiveness of organizational risk management. Assigning responsibility to internal auditors to determine risk appetite, establish a risk management process, etc. can create a clash of interest that has the potential to interfere with their assessment of the effectiveness of risk management.

Based on risk management policies within local governments in Indonesia, it is stated that the local government Inspectorate has been appointed as the Compliance Office for Risk Management as the internal auditor. This is following the concept of The Three Lines of Defense Model, namely the critical function of the internal auditor concerning risk management, is to provide adequate confidence to management regarding the effectiveness of risk management. This function is realized, among others, by:

1. Monitoring and reviewing the risk management process, both at the local government level and the OPD level;
2. Assessing the maturity level of risk management implementation, both at the regional government level and at the OPD level;
3. An audit of the risk management process, both at the local government level and at the OPD level;
4. We are providing consulting services and assistance for the application of risk management within local governments when requested.

However, in practice, there is still confusion at the leadership level regarding the differences between the particular risk management unit and the internal auditor. One of the interviewees said that the risk management unit should be at the Provincial Inspectorate as the government's internal auditor. This is not appropriate because, in the risk management process, internal auditors should not play several roles, such as designing risk management, making decisions about risk responses and setting risk appetite.

Fourth Line of Defense

Based on the research results, the variable of risk management structure in local governments is not only influenced by three lines of Defense as a model, but the implementation of risk management should be the responsibility of all parties involved in an organization so that the role of other parties is needed. The informants revealed this that it is necessary to define and clarify roles, authorities, responsibilities and accountability related to the implementation of risk management, namely the presence of an agency leader who has full accountability for risk management; there is a risk management work unit that is independent of other functions; there is a risk owner unit whose responsibility has been firmly determined; there is a unit that ensures the effectiveness of risk management implementation; There is a unit that supervises the implementation of the risk management process so that risk management can improve performance, encourage innovation and support the achievement of the agency's strategic goals. The application of risk management is risk management which is an inseparable part of the leadership and governance of an institution where there must be clarity on the roles and responsibilities of each position in risk management and oversight as well as the establishment of a work unit in a risk management structure consisting of three layers of Defense accordingly. With its accountability, namely the risk owner unit, the risk management unit, the internal audit unit and even the capacity of its responsibility to be increased to a five-layer defence, by involving all other related parties, namely the external auditor unit and the law enforcement unit, so that risk management can create and protect objectives. And agency strategic objectives.

Based on this fact, it is the basis for the novelty, which was originally from three lines of Defense to five lines of Defense as a

model. The five lines of Defense serve as a model that has an essential component in working together, in which the fourth line of Defense is carried out by the external audit function / external supervisor, either carried out by the Audit Board of the Republic of Indonesia and/or Government Internal Supervisory Apparatus outside local government agencies. This function provides adequate assurance (assurance) on the effectiveness of risk management implementation. As the Fifth Line, Defense is carried out by Law Enforcement Officials (APH) both by the Corruption Eradication Commission (KPK), the Attorney General's Office of the Republic of Indonesia, the Indonesian Police. This function provides limited assurance on the effectiveness of risk management and internal control frameworks to prove illegal acts that may cause state financial losses and/or potential financial losses, as shown in the following figure:



Figure 4 Five Lines of Defence

As the fourth layer of The Five Lines Of Defense Model, the role of external auditors carried out by the Supreme Audit Agency (BPK) of the Republic of Indonesia and/or APIP outside the APIP local government agencies, including the Inspectorate General of the Ministry in managing risks, especially fraud risk can only be achieved by using a systematic and methodological approach to assess and improve the effectiveness of the risk management process through assurance assignments, primarily through fraud risk assessments and providing recommendations for fraud risk mitigation.

The duties and powers of the BPK include examining the management and accountability of state finances at the central government, local governments, other state institutions, Bank Indonesia, state-owned

enterprises, public service agencies, regional-owned enterprises, and other institutions or agencies that manage state finances. And can report criminal elements found during the examination to the competent authority following the provisions of laws and regulations. Its role as oversight is carried out to ensure that government entities carry out good state financial governance and comply with applicable laws and regulations and also play a role in preventing fraud, fraud, waste, abuse and mismanagement in the management and responsibility of state finances. This function is carried out by encouraging efforts to eradicate corruption, increase transparency, ensure the implementation of accountability, and increase the economy, efficiency, ethics, the value of justice and effectiveness.

Its role as insight is expected to provide opinions on programs, policies, and operations that are performing well; suggest best practices to serve as a reference; means institutional efforts to improve cross-sectoral relations within government as well as in better and more suitable match between government and non-governmental partners to achieve meaningful outcomes for the state and society. This function is carried out by exploring public policies and issues.

Based on the results of the BPK's research, it has not carried out a specific objective examination of the effectiveness of risk management in local governments. However, the BPK annually conducts a financial audit of the fairness of the financial statements of all regional governments. One of the scopes of the financial audit is an examination of the effectiveness of the internal control system reliability. BPK is the Government Internal Supervisory Apparatus (APIP) outside the APIP of local government agencies. The scope of supervision is independent and objective in assurance activities and consulting activities, which are designed to add value and improve the operations of an organization. These activities help the organization achieve its objectives by using a systematic and orderly approach to assess and improve the effectiveness of the risk management process. Supervision of the point of risk management is an integral part of the implementation of BPK's role both as a supervisor for the performance of internal control.

The role of BPK as APIP is to carry out internal supervision which includes auditing, reviewing, evaluation, monitoring and other maintenance. Meanwhile, the role of BPK as a supervisor of the government's internal control system is manifested in the formulation of technical guidelines

for risk management implementation; risk management socialization; risk management education and training; risk management guidance and consulting; and increasing competence related to risk management and having the task of carrying out government affairs in the field of state / regional financial supervision and national development. In carrying out these tasks, one of the functions of the BPK is to carry out internal supervision of state / local financial accountability and national development including cross-sectoral activities, state general treasury activities based on stipulations by the Minister of Finance as State General Treasurer and other activities based on assignments from the President.

The risk management evaluation conducted by the BPK is to ensure that the risk management framework is running effectively. From the results of this evaluation, improvements can also be made to increase the effectiveness of the risk management framework. The risk management evaluation process can be carried out in three types of evaluation, namely whether all elements of the standard are present and functioning correctly, meaning that the principles, frameworks and risk management processes are already in practice and functioning (Conformance Assessment); whether all these components have functioned and operated as an integrated risk management unit in the process of government administration so that the maturity level of the implementation of risk management can be assessed effectively following the previously established specifications (Control Effectiveness Assessment).

In maintaining state / regional financial accountability towards excellent and clean governance, according to the concept of The Three Lines Of Defense. APIP can carry out educational, preventive, and repressive activities. In the educational pillar, actions can be carried out to build an anti-corruption culture in society and at the apparatus level through a series of programs for understanding, strengthening, and empowering APIP. As for preventive activities, which focus on creating synergy in good Governance, Risk and Control (GRC), APIP in developing quality assurance activities for priority programs and activities of local governments, encourages the implementation of spip, fraud control. plan, risk management based on fraud risk assessment, bureaucratic reform, and integrity zone. Whereas in the repressive pillar, APIP can play an active role in the implementation of investigative audits, auditing

the calculation of state financial losses, state / regional financial loss recovery programs, and monitoring of fraud risk mitigation.

Furthermore, to achieve optimal results, APIP needs to resolve obstacles in implementing these programs which include the dilemma of political will versus conflict of interest, limited resources including the number and quality of auditors, lack of guidance for repressive tasks, lack of experience, and not yet or lack of application of the reward system. In supporting the spirit of the government in development programs for the realization of public welfare, related to the problems that arise, it is necessary to have an early warning system which demands the role of APIP in the form of prevention, detection, investigation and recovery towards better accountability in carrying out the main tasks and functions of government agencies.

External APIP has a push for performance and risk-based planning, updating audit charters to accommodate commitments for repressive actions, establishing regulations related to audit procedures for specific objectives including investigative auditing, mapping auditor competence, and running a quality assurance improvement program (QAIP) in activities supervision.

Fifth Line of Defense

Law enforcement apparatus is an institution or agency that is authorized by law to enforce the law concerning the judicial process which is defined as the process of displacing legal norms as a code of conduct in the life of the community, nation and state to create a safe and orderly situation. for the success of national development to create a just and prosperous society as mandated in the 1945 Constitution.

In carrying out countermeasures to prove that there are acts against the law that can cause state financial losses and/or potential financial losses, it means discussing a comprehensive criminal justice system, meaning that it can be seen from the normative system, namely as a set of legal rules that reflect illegal values. Against wrong or despicable actions. On the other hand, it can also be approached as an administrative system that demonstrates the law enforcement mechanism carried out by the state apparatus or law enforcement apparatus. To realize the effectiveness and efficiency of

the implementation of the internal audit function, both internal and external APIs need to collaborate and coordinate with Law Enforcement Officials (APH) following the prevailing laws and regulations.

The Internal Control System is a necessary process for actions and activities carried out continuously by the leadership and all employees to provide adequate confidence in the achievement of organizational goals through effective and efficient workouts, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations. Invitation. As a necessary process, SPIP includes elements that regulate human behaviour (soft control) and activity procedures (rigid control). Therefore, SPIP implemented in government agencies will be able to minimize and eliminate employee motivation (smooth control) and opportunities (rigid control) to commit fraud (fraud) in achieving organizational goals. Thus, APH is a useful tool in efforts to prevent fraud which is essentially an effort to eliminate and minimize motivation and opportunities for committing fraud.

E. Conclusion

The risk management structure that describes the division of tasks and responsibilities in risk management, using the three lines of defence model approach has not been established; this can be seen from 1) the risk management structure has not played a role as stipulated in the risk management policy. 2) The existence and role of the particular risk management unit are still not understood, both in terms of regulations and understanding by the leaders of regional apparatus organizations. 3) The novelty of the research results that affect the risk management structure, namely the fourth line of Defense carried out by the audit function external either carried out by BPK RI and / or BPK and as the Fifth Line of

Defense carried out by Law Enforcement Officials (APH) either by the KPK, Attorney General's Office, Police.

Apart from involving the Three Lines of Defense, an effective risk management structure also affects all other related parties, namely the Fourth line of Defense which is carried out by the external audit function and the fifth line of Defense which is carried out by the role of the Law Enforcement Officials (APH). With the involvement of stakeholders adequately, it will make them willing to share their

knowledge, views and perceptions for consideration. The result of this process is increased awareness of the parties involved and the application of mature risk management.

If designed and implemented accountably, the risk management structure will be able to ensure that the risk management process will become an integral part of all government management processes, including the decision-making process and will be able to capture changes that occur in the internal and external context.

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PERFORMANCE MODEL OF AUDITORS AND SUPERVISORS IN THE INSPECTORATES GOVERNMENT INDONESIA

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Performance Model of Auditors and Supervisors in the Inspectorates Government Indonesia

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Abstract-

Supervision is one of the important managerial functions in the operational aspect of government. Supervision on government operations is needed to evaluate the execution of those government operations. The evaluation is conducted to ensure that the execution has been conducted in accordance with the existing roles and functions and also that it is in accordance with the stipulated plans and policies, and provisions of applicable laws and regulations. Internal supervision of regional government is conducted by two functional positions (auditor and supervisor) which are virtually the same in one institution (Inspectorate). This research aim to determine whether there is affect the performance of auditors

and supervisors individually concerning the duties of their positions. Research was conducted using the quantitative method with a population of 832 auditors and supervisors in Inspectorates of the Provincial and City/Regency in West Java, Indonesia. Research results also show the variables developed in the Colquitt model was proven although there were other variables which influence an individual's performance aside from organization culture, leadership style, personality, and job satisfaction. On those variables, further research needs to be conducted.

Keywords: Organization Culture, Leadership, Personality, Job Satisfaction, and Performance.

1. Introduction

Auditors and supervisors in the environs of Government Internal Supervision Agency (APIP/Aparat Pengawasan Intern Pemerintah) have the main responsibility of determining whether policies or procedures stipulated by the top management have been obeyed, determining the quality of bookkeeping for the organization resources, determining the efficiency and effectivity of the organization activity procedures, and also determining the reliability of the information generated by various parts of the organization. In order that APIP can function as the agent of quality assurance, consulting, and for its parent organization (regional government), human resource support is needed in the form of professional auditors and supervisors (P2UPD). Furthermore, when we observe prior empirical researches conducted by the researchers of individual/employee performance, there are numerous research positioning organization culture, leadership style, personality, and job satisfaction as the antecedent of individual/employee performance. Even the integrative model of organizational behavior according to Colquitt, Lepine, Wesson (2009, p. 8), in relation to performance as a dependent variable, there are many variables that can influence it, namely the variables of organizational mechanisms that cover organization culture and organization structure; the variables of group mechanisms, that cover the style, power and influence of leadership, and also team process and characteristic; the variables of individual characteristics in the form of personality, cultural values

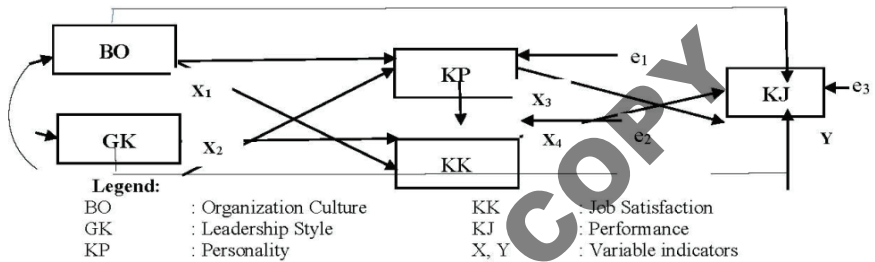
and capabilities, via individual mechanisms that cover job satisfaction, pressure, motivation, trust, ethics, justice, and decision making. From the observation results in the field, by the Government Regulation No. 16 Year 1994, the legalization of skills and the authority of the functional positions of auditors and supervisors (P2UPD) are stated in the form of certificates. However, the real life situation shows that only auditors have performed certifications in the determination of skill level and roles, but for the supervisors (P2UPD), certification is not yet performed. Even after the stipulation of the functional position of supervisors (P2UPD) by the Ministerial Regulation of Administrative and Bureaucratic Reform No. 15 Year 2009 until the moment this research was conducted, the appointment of this functional position is still using *impassing* (the mutation from structural position to functional position) and not using the path of training. Two functional positions in one inspectorate institution with no regulation concerning the requirements of the functional position levels, for instance who can be the team leader and the positions beyond that (technical controller and quality controller) and also regulation on the duties/responsibilities that both functional positions would do, create a dilemma in the field because naturally the auditors and supervisors (P2UPD) as humans would seek what is beneficial for themselves, be it the ease of promotion, obtaining credit score or monetary gains (functional allowance). It is no wonder that in several regional APIP, there were mutation from one functional position to another and this is very disruptive to the performance of APIP (Edy Sudaryanto, *Journal of Administrative and Bureaucratic Reform - Bureaucracy to Achieve World Class Government* Edition V Year 2015). The existence of two functional position with similar supervisory duties in one institution (inspectorate) will influence the performance of auditors and supervisors individually in carrying out their respective responsibilities. Due to the problem described above, this research is focused in whether the existence of two functional position, namely the auditor and supervisor, with similar supervisory duties in one institution/agency would have impacted the performance of auditors/supervisors viewed from the aspects of organization culture, leadership style, personality, and job satisfaction as described by the model developed by Colquitt, Lepine, Wesson.

2. Method

The design applied in this research is quantitative using descriptive approach. In quantitative research, the main focus is positive principles and the research used variables and hypotheses, in which the calculation of variables and hypotheses are tested accurately. The qualitative method applied by the writers is also using the correlation research method, which Purwanto (2010) described as "a research which involves the relation of one or more variables to another set of one or more variables. The relation happens in one group." The application of this correlation method is meant to discover how far the impact of organization culture, effectivity of leadership style, the strength of employee personality, and the amount of job satisfaction would influence the effectivity of employee performance as described by the model developed by Colquitt, Lepine, Wesson. The data in this research consists of two types of data, namely primary and secondary data. Primary data is obtained by using instruments measuring the research variables by distributing questionnaires (U) which are filled out by respondents and by conducting interviews to several respondents that researchers think are needed. Secondary data is the supporting data coming from the auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java, and also supporting data obtained from the fostering agency for auditors (BPKP) or for supervisors of regional government affairs /P2UPD (Training Agency of the Ministry of Internal Affairs/Badan Diklat Kementerian Dalam Negeri). The number of auditors and supervisors in Inspectorates of the Provincial and City/Regency in West Java, according to the fostering agency above is 832 people, consisting of 418 auditors and 414 supervisors. Those auditors and supervisors are distributed in Inspectorates of the Provincial and City/Regency in West Java, which are divided in four Coordinating Agency for Governance and Development (BKPP/ Badan Koordinasi Pemerintahan dan Pembangunan), with the following distribution: BKPP Area I covers City of Bogor, Regency of Bogor, City of Depok., City of Sukabumi, and the Regency of Cianjur; BKPP Area II covers City of Bekasi, Regency of Bekasi, Regency of Purwakarta, Regency of Subang, Regency of Majalengka, Regency of Indramayu, City of Cirebon, Regency of Cirebon, and Regency of Kuningan; BKPP Area III covers City of Banjar, Kab. Ciamis, City of Tasikmalaya, Regency of Pangandaran, Regency of Tasikmalaya, Regency of Sumedang, and Regency of Garut; BKPP Area IV covers City of Bandung, Regency of

Bandung, Kota Cimahi, and Regency of West Bandung. The sampling technique applied in this research was random sampling by taking samples proportionately using randomizing technique and due to the consideration of location and time, the samples taken are in the Inspectorate of West Java Province and in two BKPP, namely BKPP Area I and Area IV with 202 respondents, consisting of 120 auditors and 82 supervisors. This research has been tested for validation and reliability before data analysis.

The research model can be described in the following problem constellation:



3. Result and Discussion

After the data obtained from the respondents were processed and reviewed using the various required test, the next stage in the causality model testing is to conduct path analysis. The value of inter variable correlation coefficient (r) is shown in Table 1 as follows:

	Organization Culture	Leadership Style	Personality	Job Satisfaction	Performance
Organization	1				
Culture					
Leadership Style	0.462	1			
Sig.	0				
Personality	0.276	0.331	1		
Sig.	0	0			
Job Satisfaction	0.557	0.514	0.344	1	
Sig.	0	0	0		
Performance	0.632	0.642	0.558	0.685	1
Sig.	0	0	0	0	

Based on the correlation coefficient calculation results by using the software STATA, the coefficient value for each path was calculated and its significance was tested using the t test statistic. If the path tested show an insignificant path coefficient value, the path will be discarded and the inter-variable structural correlation model will be modified and its path coefficient will be recalculated.

The calculation results for the coefficient values of paths pX3X1 and pX3X2 can be observed on Table 2 as follows:

Table 2. Coefficient Calculation of Paths pX3X1 and pX3X2

Variable	Coef.	Std. Err.	T	p	Beta
Organization Culture (X1)	0.150	0.071	2.100	0.037	0.157
Leadership Style (Xz)	0.199	0.058	3.460	0.001	0.258
Constants	86.670	6.221	13.930	0.000	

Dependent Variable: Personality (X³)

The calculation results for the coefficient values of paths pX4X1, pX4X2, and pX4X3 can be observed on Table 3 as follows:

Table 3 Coefficient Calculation of Paths pX4Xt, pX4X2, and pX4X3

Variable	Coef.	Std. Err.	t	p	Beta
Organization Culture (Xt)	0.428	0.069	6.180	0.000	0.384
Leadership Style (Xz)	0.260	0.057	4.570	0.000	0.289
Personality (X3)	0.166	0.068	2.430	0.016	0.142
Constants	10.052	8.413	1.190	0.234	

Dependent Variable: Job Satisfaction (X⁴)

The calculation results for the coefficient values of paths pYX,, pYX2, pYX3 and pYX4 can be observed on Table 4 as follows:

Table 4 Coefficient Calculation of Paths p_{YXt} , p_{YXz} , p_{YXJ} , and p_{YX4}

Variable	Coef.	Std. Err.	t	p	Beta
Organization Culture (XI)	0.261	0.049	5.37	0.000	0.258
Leadership Style (X2)	0.222	0.039	5.77	0.000	0.272
Personality (XJ)	0.312	0.045	7.00	0.000	0.294
Job Satisfaction (X4)	0.274	0.046	5.99	0.000	0.301
Constants	-4.181	5.431	-0.77	0.442	

Dependent Variable: Performance (Y)

Summary of the calculation results of path coefficient and significance test can be observed on Table 5 as follows:

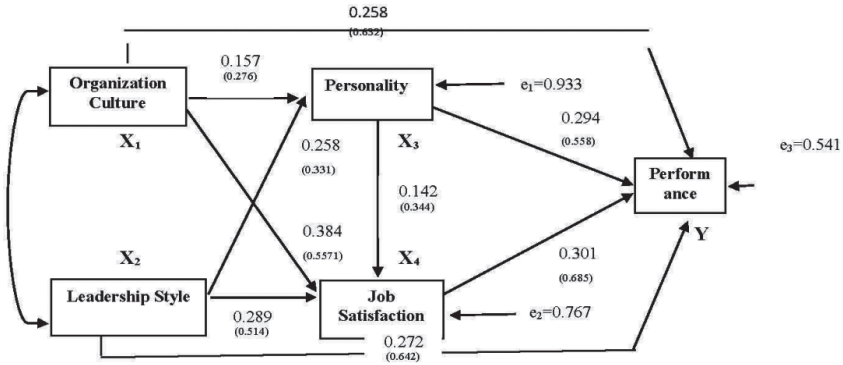
Table 5 Summary of Path Coefficient and Significance Test

Path	Path Coefficient	Probability
p_{X3X1}	0.157*	0.037
p_{X3X2}	0.258**	0.001
p_{X4Xt}	0.384**	0.000
p_{X4X2}	0.289**	0.000
p_{X4X3}	0.142*	0.016
p_{YXt}	0.258**	0.000
p_{YX2}	0.272**	0.000
p_{YX3}	0.294**	0.000
p_{YX4}	0.301**	0.000

Note:

** = Path coefficient very significant at $\alpha = 0.01$

* = Path coefficient significant at $\alpha = 0.05$ From the calculation of the inter-variable correlation coefficient (r) and path coefficient and significance test (p) above, the structural model can be imagined as follows:



From the results of analysis and significance test, it can be said that the path model built is a good model in explaining Performance based on the variables Organization Culture, Leadership Style, Personality, and Job Satisfaction. Summary of the hypothesis testing with the path coefficient calculation in accordance with the structural model can be observed on Table 6 as follows:

Table 6 Summary of Hypothesis Test Results

No	Hypothesis	Statistic of Hypothesis	Statistic of Test Result	Conclusion
1	Organization Culture has a direct impact towards Personality	Ho : $\rho_{X_3X_1} = 0$ H ₁ : $\rho_{X_3X_1} > 0$	Ho rejected	Has direct impact
2	Leadership Style has a direct impact towards Personality	Ho: $\rho_{X_3X_2} = 0$ H ₁ : $\rho_{X_3X_2} > 0$	Ho rejected	Has direct impact
3	Organization Culture has a direct impact towards Job Satisfaction	Ho : $\rho_{X_4X_1} = 0$ H ₁ : $\rho_{X_4X_1} > 0$	Ho rejected	Has direct impact
4	Leadership Style has a direct impact towards Job Satisfaction	Ho : $\rho_{X_4X_2} = 0$ H ₁ : $\rho_{X_4X_2} > 0$	Ho rejected	Has direct impact
5	Personality has a direct impact towards Job Satisfaction	Ho : $\rho_{X_4X_3} = 0$ H ₁ : $\rho_{X_4X_3} > 0$	Ho rejected	Has direct impact

6	Organization Culture has a direct impact towards Performance	Ho: $\rho_{YX_1} = 0$ H1: $\rho_{YX_1} > 0$	Ho rejected	Has direct impact
7	Leadership Style has a direct impact towards Performance	Ho: $\rho_{YX_2} = 0$ H ₁ : $\rho_{YX_2} > 0$	Ho rejected	Has direct impact
8	Personality has a direct impact towards Performance	Ho: $\rho_{YX_3} = 0$ H ₁ : $\rho_{YX_3} > 0$	Ho rejected	Has direct impact
9	Job Satisfaction has a direct impact towards Performance	Ho: $\rho_{YX_4} = 0$ H ₁ : $\rho_{YX_4} > 0$	Ho rejected	Has direct impact

From Table 6 above, the hypothesis test with calculation of path coefficient in accordance to the structural model shows the following:

a. Structural Model I (Personality)

Organization Culture and Leadership Style have direct impact towards Personality.

b. Structural Model II (Job Satisfaction)

Organization Culture, Leadership Style, and Personality have direct impact towards Kepuasan Kerja.

c. Structural Model III (Performance of Auditors and Supervisors)

Organization Culture, Leadership Style, Personality, and Job Satisfaction have direct impact towards Kinerja Auditor dan Pengawas.

The path analysis applied to test this research structural model is divided into 3 (three), namely the Personality path (Structural Model 1), the Job Satisfaction path (Structural Model II), and the, Performance path (Structural Model III), show that the structural models developed are acceptable and significant. This means that those models can explain the interconnectivity among the endogenous variables and exogenous variables, particularly in relation to the impacts that various variables have towards Performance. The research results testing the interconnectivity among variables can be described in more details as follows:

a. Structural Model I, Personality is influenced by the variables Organization Culture and Leadership Style, and it is also influenced by other variables in the value of 93.3% ($e1=0.933$).

b. Structural Model II, Job Satisfaction is influenced by the variables Organization Culture, Leadership Style, and Personality, and it is also influenced by other variables in the value of 76.7% ($e2=0.767$).

- c. Structural Model III, Performance is influenced by the variables Organization Culture, Leadership Style, Personality, and Job Satisfaction, and it is also influenced by other variables in the value of 54.1% ($e^3=0.541$).

From the nine paths grouped into 3 (three) structural models, the fastest path (highest total value of 1.414) means that improving the performance of auditors and supervisors in Inspectorates of the Provincial and City/Regency in West Java can be carried out by building a more effective leadership style along with building a better personality of the auditors and supervisors and improving the job satisfaction of auditors and supervisors.

4. Conclusion

Based on the results of data analysis and statistical calculation as elaborated above, this research results can be concluded that the variable depiction of organization culture, leadership style, personality, job satisfaction, and performance of auditors and supervisors show that it has conformity with the model developed by Colquitt, Lepine, and Wesson. The strength of organization culture developing in the Inspectorates of the Provincial and City/Regency in West Java can influence the personality of auditors and supervisors in the agencies involved, making it advantageous or disadvantageous. The effectiveness of leadership style of superior officers in the Inspectorates of the Provincial and City/Regency in West Java can influence the personality of auditors and supervisors in the agencies involved, making it advantageous or disadvantageous. The strength of organization culture developing in the Inspectorates of the Provincial and City/Regency in West Java can influence the job satisfaction of auditors and supervisors in the agencies involved, making it high or low. The effectiveness of leadership style of superior officers in the Inspectorates of the Provincial and City/Regency in West Java can influence the job satisfaction of auditors and supervisors in the agencies involved, making it high or low. The personality of auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java can influence their job satisfaction in the agencies involved, making it high or low. The strength of organization culture developing in the

Inspectorates of the Provincial and City/Regency in West Java can influence the performance of U1 auditors and supervisors in the agencies involved, making it high or low.

The effectiveness of leadership style of superior officers in the Inspectorates of the Provincial and City/Regency in West Java can influence the performance of auditors and supervisors in the agencies involved, making it high or low. The personality of auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java can influence their performance in the agencies involved, making it high or low. The job satisfaction level of auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java can influence their performance in the agencies involved, making it high or low. It can be concluded that the performance variable of auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java can be influenced by various variables, among which are organization culture, leadership style, personality, and job satisfaction. The efforts to improve performance of auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java can be carried out by improving the four variables mentioned above. However, the research results show that there are other factors other than organization culture, leadership style, personality, and job satisfaction which can influence the performance of auditors and supervisors in the Inspectorates of the Provincial and City/Regency in West Java. On this aspect, a deeper and further research needs to be conducted.

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THE FISCAL CAPACITY OF THE NEW AUTONOMOUS REGION (DOB) IN INCREASING ECONOMIC GROWTH AND ERADICATION OF THE POOR

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The Fiscal Capacity of the New Autonomous Region (008) in Increasing Economic Growth and Eradication of the Poor

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Abstract

Indonesia has conducted state proliferation to improve public services, create more effective governance, and increase regional development. State proliferation was accompanied by fiscal decentralization, so that allowed the regions to manage their finances by arranging regional development programs and other planning. However, in its implementation, Decentralization, which has been running for two decades, has experienced problems such as the financial over-dependence on central government and development inequity, which has further implications for eradicating the poor. The purpose of this research is to analyze to what extent the state proliferation that have been running is able to increase the fiscal revenue of new autonomous regions (DOB) in order to maximize economic growth, equitable territorial development and regional development to be able to eradicate the poor and improve the welfare of the community. The research method uses descriptive methods with a qualitative approach. This study uses data from a period of 2015 to 2019 in accordance with the National Mid-Term Development Plan (RP)MN. The results showed that the development of new autonomous regions in the era of post-reform regional autonomy were 8 provinces, 181 districts and 34 cities. Therefore, the allocation of transfer funds to the regions is increasing every year. For the 2020 State Budget, around Rp.858 trillion or around 34.6% of total state expenditure. However, ironically, the over-dependence of DOB on fiscal Decentralization has not declined. If seen from the ratio of PAD to total regional income, it is known that DOB currently still depends on the parent region or central government, while the DOB growth rate is lower comparing to their parent region. On the other hand, the focus of DOB development is more on government facilities and infrastructure. Although in some new autonomous regions, there is a decrease in poverty, in general, poverty levels in new autonomous regions are relatively higher than in parent regions.

Keywords: State Proliferation, Fiscal Decentralization, Economic Growth, Regional Development, Poor Eradication.

1. Introduction

Decentralization has played a significant role in the agenda of institutional reform in every country in various parts of the world. Internal and external pressure forces many developing countries to increase the administrative, fiscal, and political power that the central government gives to local governments (Bliichliger & Rabesona, 2009). Decentralization is one form of regional autonomy expected to maximize further an equitable regional development and state proliferation (Brocker et al., 2019).

Decentralization in Indonesia began with changes in the state sovereign system post-1998 reform (Talitha et al., 2019). These changes happened due to high political pressure from the public, politicians, students, and many local governments and amid a severe economic crisis (Firman, 2009; A. Nasution, 2017; I. K. Nasution, 2016). The solution taken by the government is to issue Law No. 22 of 1999 (which was later updated with Law No. 23 of 2014 in place of Law No. 32 of 2004) concerning Regional Government which provides broad regional autonomy opportunities with rights, authority, and the obligation of autonomous regions to regulate and manage their government affairs and community interests (Suhardi et al., 2019). Also, the law is expected to make democratization function and improve the welfare of the people in Indonesia (Karim, 2003; Kuncoro, 2004; Safitri, 2016) and transfer responsibilities from the central government to regional governments, after a prolonged economic crisis (Simanjwita, 2013).

One of the implementations of decentralization reforms in Indonesia is that the government implements state proliferation (Pierskalla, 2019; Salim & Hudalah, 2020). This practice is where local governments divided based on the division of new territories and autonomous regions on the grounds of improving public services in the regions (Hartley et al., 2008; Tat-Kei Ho, 2002) and creating a more effective local government and regional development with increasing local development (Kuklinski, 2019; Lefebvre & Datta-Chaudhuri, 2019; Zhuang et al., 2001).

The implementation of the decentralization, resulting in fiscal decentralization that affects regional financial management (Bah & Bird, 2018), economic planning including preparing regional development programs and other planning delegated from the center to the regions (Hakim et al., 2017; Pike et al., 2016). The consequence of the

implementation of decentralization is the distribution of authority in the monetary and fiscal sectors, which is decentralized to the regions (Faguet, 2014; Folti, 2017).

On the other hand, the phenomenon of state proliferation on a large scale comes with a new problem. In the period 1998-2004 (the last year of division), the total number of local governments was 542 consisting of 34 Provinces, 15 Regencies, and 93 Cities. Each proliferation will have broad implications as a form of logical consequences, such as changes in the government structure, budget, borders, and names of regions, the distribution of revenue sources, and regional income that previously flowed from the origin regions. These changes, although *de jure* have been regulated by law; in practice, are not as easy as turning the palm. Releasing new territories from its previous regions also means a gradation of authority, budget reduction, decreases in revenues and incomes, in addition to one thing which is specified, the reduction in area size. This, if not carefully considered in forming a new autonomous region, will potentially lead to cross-regional conflicts, thus becoming an obstacle to the implementation of regional autonomy.

This research focuses on the relationship between state proliferation, fiscal decentralization, implementation of regional development, and eradication of the poor, which are currently the most urgent issues in the new era of decentralization in Indonesia. There are many previous studies relating to this research, such as Lewis (2003), Bappenas (2005), Fitriani et al. (2005), USA ID (2006), Mardiasmo (2008), and Brodjonegoro & Ford (2014). The emphasis of this research is on how state proliferation of a local government affects fiscal decentralization. Those researches did not focus on how state proliferation had affected regional development. Few cases that are somewhat similar to Indonesia are Nigeria (Nwankwo, 1984; Ukiwo, 2006) and Albania (Ferrazzi, 2007).

According to Fitriani et al. (2005), in the early 1990s, the formation of new autonomous regions had triggered violent conflicts between ethnic and communal groups, because the process became less transparent, while military rulers rejected local governments as group support (Ukiwo, 2006, p.32). Likewise, Albania's division of regional government has weakened its implementation capacity and has endangered the quality and access to local public services (Ferrazzi, 2007). This situation appears to have emerged in Indonesia, although it must be emphasized from the beginning that the state proliferation of local government, in

addition to its negative effect, also potentially has a positive impact on regional development (Firman, 2009; Fitriani et al., 2005).

One of the central issues of fiscal decentralization policy in Indonesia is the weakness of institutional capacity to implement this policy, both nationally and locally (Athukorala, 2006; Eschweiler, 2010). The ability of local governments to maximize fiscal decentralization, such as transfer of funds from the center to the regions, is mostly not being used properly (Athukorala, 2006; Eschweiler, 2010). This reflects the low performance of local governments in absorbing and utilizing funds for regional development (Boediono, 2002; Hill 2007).

This paper analyzes the development, problems, and performance of the newly autonomous region (DOB). This paper focuses on fund transfers, expenditure allocations, and fiscal dependency. Likewise, a comparison between the new autonomous regions and their parent regions is illustrated in this paper. The systematic writing is divided into four parts. The introduction that discusses the background of this article then continues with the study method. Part three is the discussion. Then, the final part ended with a conclusion.

2. Method

This study uses a qualitative approach to describe the performance of new autonomous regions or regional expansion areas, with the research method used is descriptive-analytical and descriptive exploratory, i.e., this research tries to explore and describe research objects comprehensively, using literature studies and documentation studies (Elliott & Timulak, 2005; Myers, 2019), in order that a comprehensive explanation of the development and fiscal capacity of the new autonomous region (DOB) will be obtained.

The author uses and processes data as follows: (1) Archives of regional autonomy; (2) Central Government National Mid Term Development Plan (RPJMN) 2015-2019; (3) Vision and mission; (4) Economic statistical data of the central government and regional governments; (5) Local and central government financial data. The data used are data from 2015-2019 in accordance with the RPJMN. Data collection was carried out at the end of January 2020 through official government websites and official data obtained by the authors from several government agencies.

The above approaches and methods are used to answer the objectives of this study. By describing the condition of new autonomous regions or proliferation areas, it can be seen how the development of new autonomous regions in terms of fiscal decentralization of DOB and comparison with their parent regions. The literature study was conducted to obtain an overview of previous studies of new autonomous regions in relation to fiscal decentralization.

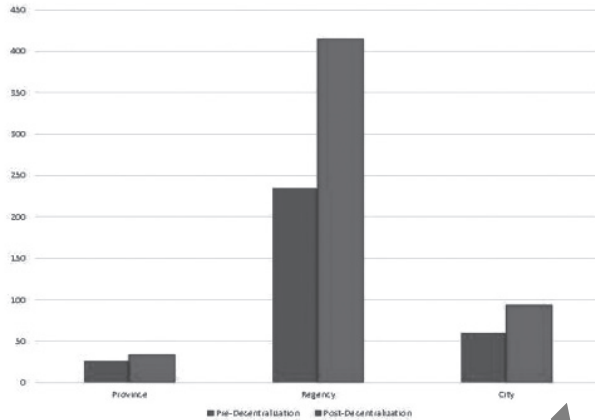
Ultimately the use of these approaches and methods will produce at least a description of the fiscal decentralization of the new autonomous regions, economic growth, regional development, and handling of the poor, in new autonomous regions (DOB), and their comparison with parent regions.

3. Results and Discussion

A. State proliferation Development in Indonesia

The state proliferation of a regional government is actually not a new phenomenon in Indonesia. During the era before regional autonomy, the government practiced it, but it was carried out with a strict and highly selective administrative approach. For example, before Cimahi was transformed into a city, this region was first given administrative authority while still under the authority of the Bandung Regency. After several evaluations over a long period and considered successful and able to financially self-dependent, then its status was upgraded to Cimahi City, an independent area released of its parent (Bandung Regency).

In the new era of decentralization, regional government state proliferation is carried out faster



Source: Ministry of Home Affairs, analyzed by author (2019)

Figure 1. The Amount Comparison of Newly Autonomous Region between 1998-2019

by using a bottom-up approach which is very political with procedures that refer to Government Regulation No. 78 of 2007 concerning Procedures for Requirements, Formation, and Criteria for Proliferation, Elimination, and Merger of Territory, thus the state proliferation procedure is the same as the regional formation procedure.

Based on Figure 1, the facts show a significant development, namely, the division of regions in Indonesia has become a euphoria in the era of regional autonomy after the reform became indisputable. Until early 2020, the number of new autonomous regions formed was 8 provinces, an increase of 30.7%, 181 districts, an increase of 77.3%, and 34 cities rose 57.6% so that the entire provinces are 34 and 415 districts and 93 cities with a total of 542 local governments—an extraordinary growth in regional government, especially when compared to the period before decentralization.

Of the total area of proliferation, most are located in areas outside Java-Bali. Likewise, in terms of regional distribution, most of which are located in Eastern Indonesia (KTI) rather than Western Indonesia (KBI), these conditions can be illustrated in Table 1. Furthermore, the review can be more detailed by dividing the area according to islands from the distribution of the formation of new autonomous regions, which have been analyzed by region, as shown in Table 1. Details of

these regions are illustrated by the pie chart in Figure 2 about the distribution of regional DOBs.

From Figure 2 it can be seen that from 1999 to 2019, the most widely distributed newly-appointed autonomous region was in Sumatra, which was

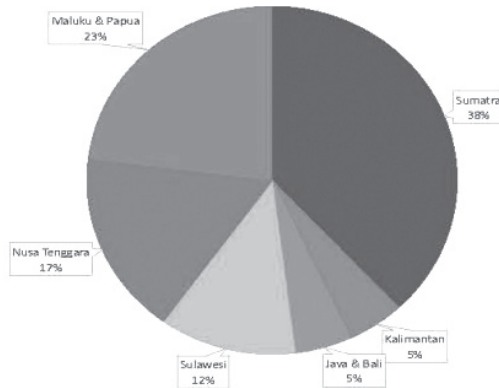
Table 1.
Distribution of Newly Autonomous Region

Region	Amount	Region	Amount
Java & Bali	10	KBI	87
Outside Java & Bali	196	KTI	119
Amount	206	Amount	206

Source: Ministry of Home Affairs, analyzed by author (2019)

77 DOB or 38%, then followed by Maluku & Papua with 47 DOB (23%), Sulawesi with 35 DOB (17%), Kalimantan with 26 DOB (12%), Nusa Tenggara with 11 DOB (5%), and Java-Bali are the regions with the least DOB formation, only 10 DOB (5%). Sumatra Island, despite its position in the western region of Indonesia, has the most DOB. This seems to be because Sumatra is the region with the highest number of provinces among other regions, as many as 10 provinces, and each province in Sumatra experiences state proliferation.

At the end of the New Order administration, there were 297 regencies/cities in 27 provinces. Between 1999 and 2014, when there was a moratorium on state proliferation, 215 new autonomous regions were born. So that Indonesia now consists of 514 cities and districts in 34 provinces. Based on a comprehensive evaluation of all DOBs in 2012, 80% failed to develop. The failure was seen in terms of economic independence as measured by the ratio of regional own-source income (PAD) to total regional



Source: Ministry of Finance, analyzed by author (2019)

Figure 2. Distribution of New Autonomous Regions (DOB) by Region

income. Most DOBs today still dependent on parent regions or the central government.

Although the government has temporarily suspended state proliferation, the Ministry of Home Affairs has since 2014 accepted the proposal to establish 315 new autonomous regions. However, the proposal cannot be processed because, until now, the government is still conducting a moratorium on the demand for new autonomous regions. Grindle (2007) states that state proliferation is carried out to reduce local dependence on the central government by focusing on increasing accountability, institutionalizing the process of change, and encouraging economic development.

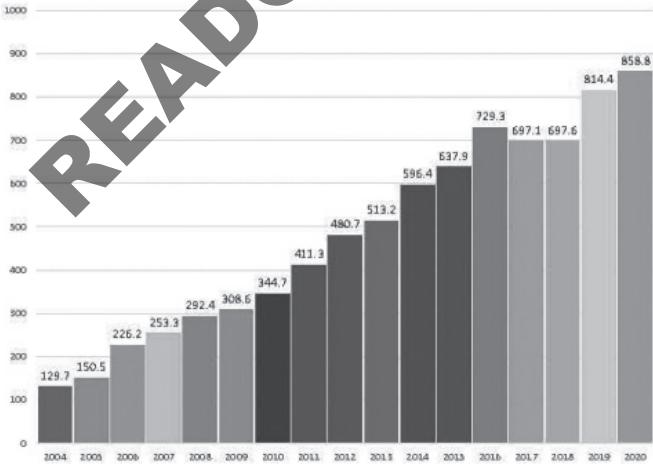
B. State Proliferation in Fiscal Decentralization

Fiscal decentralization is one of the fund transfer mechanism from the State Budget concerning state financial policies, namely, to create fiscal sustainability and provide a stimulus for community economic activities. Such activities related to fiscal decentralization policies are expected to create equitable financial capability between regions commensurate with the authority scale of government affairs delegated to the autonomous region. The fiscal decentralization system

applied towards the proliferated territorial has the potential to reduce vertical gaps but tends to widen horizontal gaps, particularly between the central government, district governments, and city governments (Brodjonegoro & Ford, 2014).

Such as local governments that have abundant natural resources obtain a large share of the distribution of revenue sharing funds (DBH) from these revenues, compared to other local governments that have few natural resources (Brodjonegoro, 2006; Hill, 2007). However, the central government and especially local governments whose revenue is based on natural resources need to immediately think of ways to divert revenues derived from natural resources into capital; which will be used for the development of sectors other than natural resources such as agriculture or non-oil and gas industries. This is due to the natural resources being depleted sooner or later so that regional income will be reduced or lost (Haryanto, 2018).

The implementation of fiscal decentralization during the reform era officially began on January 1, 2001. The fiscal decentralization policy, which began in 2001, aims to encourage regional economies and reduce income disparities between regions in Indonesia (Hoessein, 2002). One of its instruments is the transfer policy to the locals or regions (Garman et al., 2001). Under Law No. 17 of 2013 on



Source: Ministry of Finance, analyzed by author (2019)

Figure 3. Transfer Funds Amount Between 2004-2020

Regional Finances, Law No. 33 of 2004 on Financial Balance Between Central Government and Regional Governments and Law No. 23 of 2014 on Regional Government and Amendments which is Law No.9 of 2015, states that the policy of transfers to the regions is carried out through a funding system that pays more attention to aspects of the fiscal gap between the center and the regions. These aspects include the division of government affairs between the center, provinces and districts/cities, the quality and disparity of public services between regions, regional economic potential development, efficient utilization of national resources, synchronization in national and regional development planning, accelerating development in disadvantaged, outermost, frontier, and ex-conflict regions.

The central government transfers funds to regional governments, including regional governments of newly proliferated territorial or newly autonomous region, increasing from year to year. In 2020 The government allocates 34% of the total state expenditure, which reaches Rp2,528.8 trillion for transfer funds to the regions and village. Total transfers to the regions and village funds in the 2020 APBN are Rp858.8 trillion. This figure increased by 5.45% compared to the 2019 APBN, which amounted to Rp814.4 trillion (assuming before the budget refocusing occurred due to the Covid-19 outbreak).

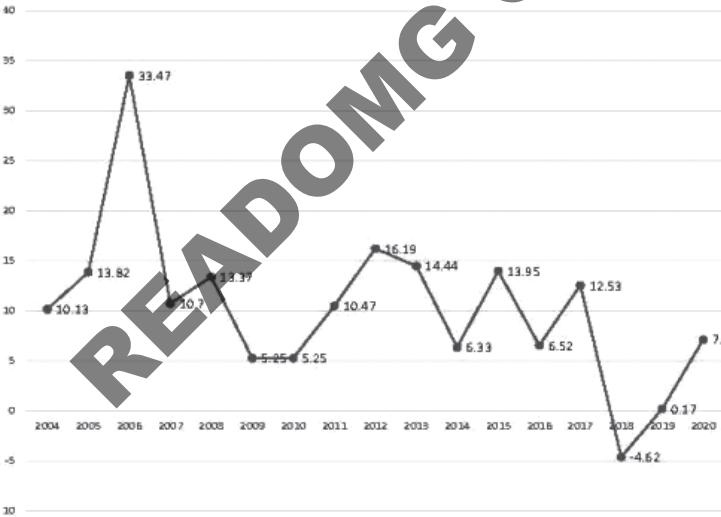
In detail, the allocation of transfers to the regions in the 2020 APBN was Rp786.8 trillion, up 3.97% from the previous year, which was Rp756.8 trillion. The budget increase was not as significant as last year, which reached 7.17%. A similar thing happened to the allocation of village funds, in which the increase was not as significant as before, which was only 2.86% compared to the increase in the previous year, which reached 16.67%. In the 2020 National Budget, the allocation of village funds amounted to Rp72 trillion, up 2.87% from 2019, which amounted to Rp70 trillion. A study conducted by Adhayanto et al. (2019) claims that the majority of village funds are utilized for the physical construction of village infrastructure; therefore, the development of human resources, community empowerment, and the local economy of the village was less noticed.

In the 2020 APBN, the government increases transfer allocation, which should be accompanied by an increase in the implementation quality. For example, the transfer of funds is not to be conducted at

the end of the year so that the local government has sufficient time to make effective use of the funds. As a result, regional government spending can improve essential public services, encouraging regional and local economic growth, and reducing inequity and poverty (Darmi & Mujtahid, 2019; Rukiah & Siregar, 2019).

Aligned with the increasing number of local governments formed, the funding needs for the provision of public service infrastructure in the regions also continue to increase. The risk is the transfer budget to the regions from year to year also increases. In 2004, the allocation of the transfer budget to the regions was 129.7 trillion consisted of balancing funds, special autonomy funds, and adjustments, now in 2018, it increased to 697.6 trillion.

The development of state proliferation for a local government in this study uses indicators of fiscal dependencies, optimization of regional income, long-term expenditure management, and economic contribution.



Source: Ministry of Finance, analyzed by author (2019)

Figure 4. Transfer Funds Amount between 2004- 2020

Fiscal dependencies are used to measure to which extent a local government can meet its fiscal needs to finance development, either through the allocation of balanced funds transferred by central

government or local own-source revenue/income (PAD). From the results of research throughout 2015- 2019, new autonomous regions are proven to have higher fiscal dependencies compared to parent and control regions, although they show a declining trend each year (Figure 4).

One interesting point is shown by the decreasing trend of fiscal dependence in parent regions that is going much faster than the downward trend in new autonomous regions. This indicates how a parent region reaps positive benefit from the release of a newly autonomous region, or perhaps also because the burden of the parent area is reduced.

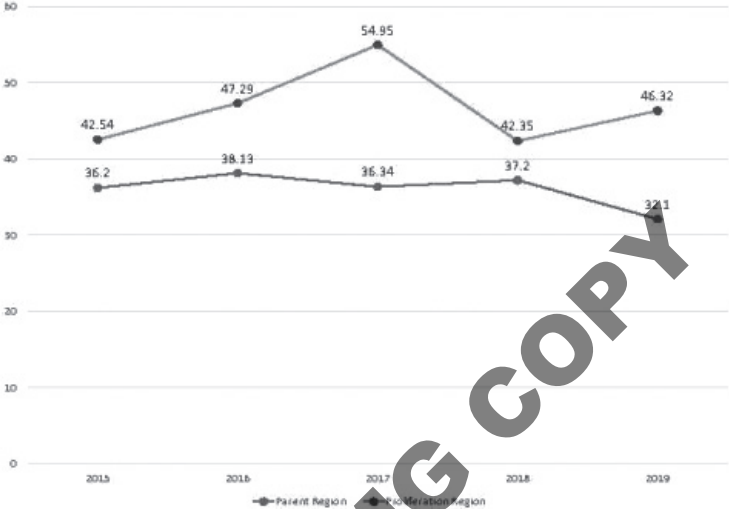
Despite the downward trend, fiscal dependence in new autonomous regions is always higher than in parent regions. This phenomenon shows that DOBs are not the type of region which quickly able to take over its local revenue function, if this fiscal dependency also includes personnel expenditure, then this level of dependency will be higher than what is shown by this indicator.

Optimization of local own-source revenue (PAD) was not identical with an increase in tax rates or levies, or the various types of taxes or levies themselves. Optimization of PAD must refer to increasing the role of government in supporting and creating economic activities to encourage more significant growth in existing economic sectors. Economic growth by itself will encourage an even more significant increase in local own-source revenue PAD.

The ratio of government capital expenditure to total expenditure (also called the CAPEX indicator or Capital Expenditure) is for measuring to which extent the government policy in budgeting set orientation to long-term benefits or investment.

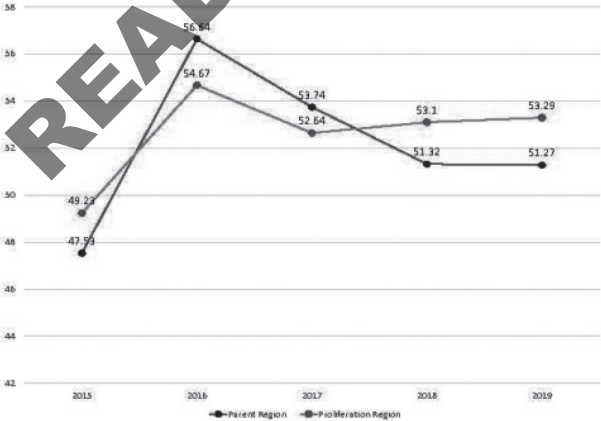
During 2015-2019, the portion of CAP EX in DOB was generally more significant than in its parent regions. These newly autonomous regions seem to set focus on investment rather than consumptive spending. This is considered reasonable due to its new status as an autonomous region. In detail, capital expenditure in new autonomous regions has a different focus compared to parent regions and other local regencies. At DOB, capital expenditure is focused on financing the construction of various government infrastructures that are not yet owned, such as office buildings, transportation equipment, office

equipment, and households. This capital expenditure allocation is carried out in stages, at least within the first 5 years from the time the territory was proliferated. Meanwhile, parent regions already have government infrastructure readiness before the division can focus their attention on public investment.



Source: Ministry of Finance, analyzed by Author (2020)

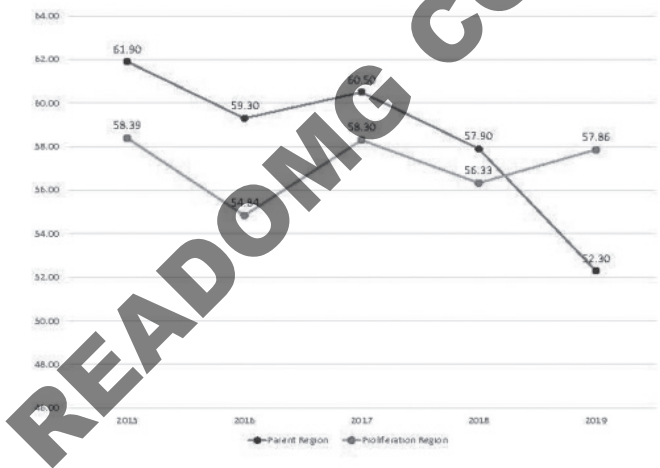
Figure 5. Fiscal Dependencies Development



Source: Ministry of Finance, analyzed by Author (2020)

Figure 6. Local Own-Source Income Development for each Gross Regional Domestic Product

The role of the government budget for the regional economy is seen through capital expenditure that is a long-term investment and through routine expenditure or fixed consumption that is more consumptive. This consumptive path includes salary expenditure (employee expenditure) and capital expenditure used for infrastructure development and public services during the 2015-2019 period. DOB has a more significant percentage of total government expenditure to GRDP compared to parent regions. The difference is relatively vast enough. This illustrates that the contribution of regional finance to the economy is relatively more significant compared to parent regions. Besides being more focused on meeting the needs of the composition of the apparatus and the construction of government facilities, the amount of the financial contribution of regional governments to the economy is due to the undeveloped economy of new autonomous regions compared to parent regions.



Source: Ministry of Finance, analyzed by Author (2020)

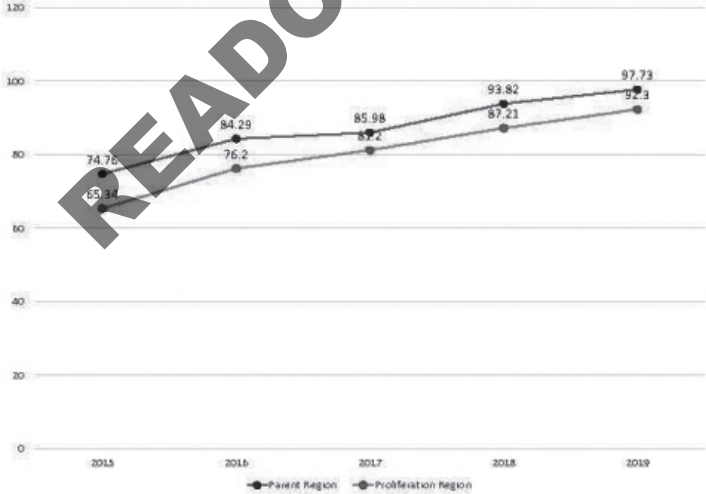
Figure 7. Development of Capital Expenditures per Total Spending (in%)

On the fixed expenditure side, a relatively large portion is employee salary expenditure, which can normatively drive the economy in new autonomous regions through consumption expenditure. The composition of the State Civil Apparatus (ASN) in DOB consists of employees appointed after the division and employees who have mutations from the parent area/province or other regions.

On the capital expenditure side, investment carried out by the government through capital expenditure contributes to the economy through material expenditure and employment absorption and, in the long run, through multiplier figures in the private sector that play a role in the economy. The long-term impact of capital expenditure requires a more extended analysis time than five years. This means that the impact of government capital expenditure at this time can only be measured through the short-term impact, as mentioned above.

DOB shows a lower financial performance index compared to parent regions; namely, the index gap between 008 and parent regions is relatively small. In this period, the 008 government finances have not been completely separated from the parent regions; the dynamics of financial management in the parent regions are still mutually influential with the

DOB. However, if observed the development of the regional government financial performance index between the parent region and the 008, it takes longer. The DOB needs to prepare a variety of financial management instruments, including institutions, financial administration, apparatus managers, to the regulatory basis for more technical matters other than the preparation of the AP80 itself.

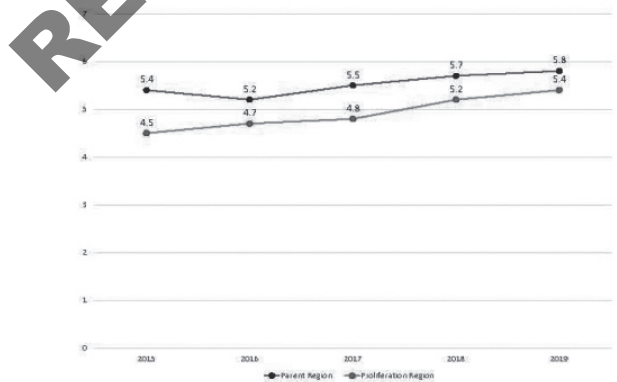


Source: Ministry of Finance, analyzed by Author (2020)

Figure 8. Regional Government Financial Performance Index

Overall, the financial performance of the newly created regions or new autonomous regions appears to be lower than the parent regions. This fact is caused by several problems in regional finance, namely greater fiscal dependence in the region of proliferation, especially 008, which is related to the massive allocation of capital expenditure in the area of proliferation. The financial role of the central government in development in the area of proliferation is still huge. Concerning fiscal decentralization and regional autonomy, state proliferation should be able to encourage regional governments' independence in carrying out development in their regions by optimizing the sources of regional economic growth. The allocation of central government funds should be an incentive and start-up capital for the D08 government to optimize its income so that in time it can reduce dependence on central government finances.

On the other hand, it is the optimization of income and low economic contribution. Here we can see a vicious circle between government finances and the regional economy. One of the things that local governments can do to break the cycle is to create economic centers in each region. As a new autonomous region, the newly created region needs a real role from the regional government that is big enough to boost its economy, not only through the development of physical infrastructure but also regional financial policies and management that can encourage the development of growth centers. The small role of regional finances causes an underdeveloped economy, which also results in sub-optimal regional income, which encourages fiscal independence.



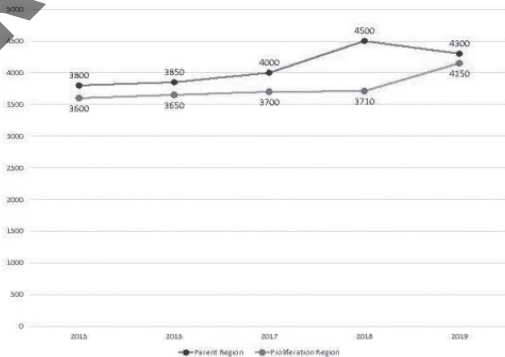
Source: Statistics Indonesia-BP analyzed by Author (2020)

Figure 9. Economic Growth

The flat portion of capital expenditure allocation from regional governments has not been able to encourage the region's economy; for instance, entirely, the targeted capital expenditure allocation is not right. This is an indication of the ineffectiveness of the state proliferation government's financial policies—especially OOB—in driving economic activity in the region, both consumptive and investment. In the course of the implementation of fiscal decentralization in Indonesia, a good story, although not a few, have a terrible record, as is the case in other parts of the world. If fiscal decentralization is successfully implemented, it will achieve (1) economic efficiency, financial mobility, (2) macroeconomic stability, sufficient economic growth, and (3) government efficiency and effectiveness (Ahmad, 2002; R. W. Bah! & Linn, 1992; Shah, 1994).

C. Impact of Fiscal Decentralization on State Proliferation to Regional Development

Intensive state proliferation is developing in Indonesia as one of the ways for equitable development and improving the welfare of the people in the region (McGregor. 2008; Suryanto & Kartikaningsih, 2013). After running for more than two decades, many parties are doubtful whether the goal of the state proliferation can be achieved or not. Regional development indicators can be used as a measurement in seeing whether state proliferation is successful or not, and it can be seen from economic growth, community welfare, the role of the regional economy in one regional government, and the poverty level of the region.



Source: Statistics Indonesia-BPS, analyzed by Author (2020)

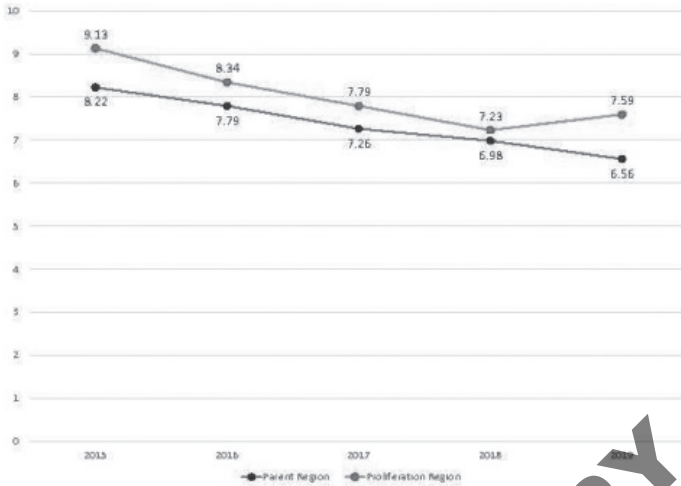
Figure 10. GDRP per Capita

Economic growth shows the motion of various regional development sectors and is also a source of job creation. An increase in added value in the economy implies an increase in economic activity, both internal in the area concerned, as well as concerning interactions between regions.

The rate of economic growth in new autonomous regions is lower with economic growth in parent regions. In general, the parent region's economic growth is more stable, with a range of 5-6% per year. Economic growth in new autonomous regions is more volatile than in its parent region (Figure 10). This fluctuation is partly due to the dominance of the agricultural sector as the most significant component in the economy of the newly proliferated territory or OOB (BPS, 2019). The agricultural sector is very vulnerable to changes in prices, change of seasons, and climate. As a result, the slightest change in these components will significantly affect the formation of GROU (BPS, 2019).

More stable economic growth in parent regions is supported by the presence of a more massive non-oil and gas processing industry compared to DOB. The role of the industrial sector in the parent region reaches 12% in its GROU structure, while in the OOB regions, it is only about half. The higher the role of the processing industry in one region, the more developed the region. In the post-crisis recovery period, a relatively developing sector was the manufacturing industry. This is advantageous for regions where the manufacturing sector is relatively large (Brodjonegoro, 2006).

The contribution of OOB GROU in total GROU was minimal (around 6.5%), lower than the parent region (10%). This was relatively constant during the 2015-2020 period. This implies that the area released by the parent region is relatively smaller in its role in the economy. State proliferation does not produce an area equivalent to its parent area.



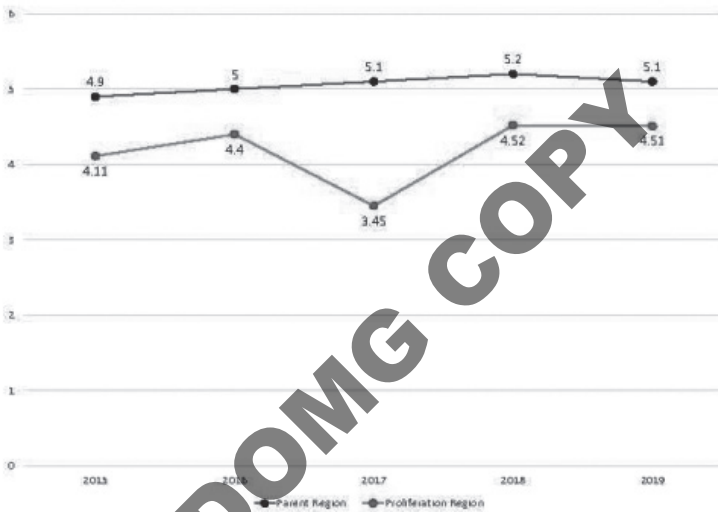
Source: Statistics Indonesia-BPS, analyzed by Author (2020)

Figure 11. Poverty Level

GROpper capita is an essential macro indicator for understanding the economic conditions of a region in a certain period. The results showed that the parent region had a better GRDP per capita level compared to DOB. There are several reasons why this happens. (1) the process of dividing regional territories encourages parent regions to release sub-districts, which are areas of poverty. This indication of removing the burden is also supported by the fact that there are no indicators of poverty levels in the technical requirements of state proliferation. (2) parent regions have the potential for more prepared resources, both government, community, and infrastructure. This also accelerates development in the parent regions, which after the division, the population is less with better quality economic resources.

The welfare indicator in the form of GRDP per capita must be contrasted with the poverty rate indicator. The poverty rate gives an illustration of the intensity of the population with the lowest income level in the economy. A decrease also followed improved welfare in all regions in the number of poor people. Nationally, the poverty rate in 2015 was 19.14% or around 38.7 million people, while at the end of 2019, the poverty rate was 15.97% or around 35.1 million people (BPS 2019).

This study shows that in 2019, although the DOB region has a GRDP value per capita almost the same as the common area, it turns out that the poverty rate in the DOB region is relatively high (reaching 7.59% of the total population) compared to the parent area (6.56%). Also, the poverty rate of newly proliferated territory (a combination of parent regions and new a utonomous regions) is still higher than in parent regions. This indicates that although the newly proliferated territory has a higher level of welfare compared to the parent region, the number of poor people in the proliferated territory is also higher.



Source: Statistics Indonesia-BPS,analy zed by Author(2020)

Figure 12. Local Economic Performance Index

The various indicators described above are then used to calculate the regional economic performance index. This index shows that the economic performance of parent regions is still always better than DOB regions. Despite the narrowed difference between parent and DOB regions in 2018, by 2019, the index of economic performance index had enlarged. This shows that there have been no significant developments in the DOB. This result shows that the division of regions has not yet entirely produced new autonomous regions with the equivalent performance of parent regions. The division still produces regions that still have to struggle hard to improve the welfare of their people.

The gap between DOB and parent regions is quite large. Some aspects indeed show positive symptoms such as increased physical infrastructure development, the emergence of public service facilities in the DOB. However, even non-blooming regions generally show similar performance.

Uneven distribution of economic potential. The development of existing data shows that DOB regions have lower economic potential than parent regions (BPS, 2019). This can be seen in the GRDP value of DO B regions, which in the last five years is still below the parent area,

The burden on the poor is higher in the DOB regions. The previous discussion concluded that the newly created regions generally had relatively more substantial numbers of poor people, especially the new autonomous regions. This implies that to drive the regional economy so that an increase in community income requires a much more massive effort. In terms of education, knowledge, and abilities, poor people generally have limited human resources that can generate income.

4. Conclusion

This study concludes that in general, there is no single region of regional division that can be grouped in the category of able, although the arrangement of various aspects of government to support governance is following existing guidelines. The reason is that both the DOB government and the proliferated territory are unable to formulate the authority or functions that will be carried out under the conditions, regional characteristics, and community needs.

Due to limitations in the ability of the state and regional finances to finance the provision of government infrastructure and facilities in the regions, the increase in funds transferring funds from the APBN to the regions is not optimally enjoyed because it is more aimed at funding new autonomous regions.

Economic growth in the state proliferation is more volatile than in parent regions, relatively stable and increasing. From the economic side, the cause of the under development of state proliferation areas from parent regions and other regions is limited natural resources, as well as limited human resources, and the government has not yet

maximized support in driving the economy through public investment. The problems faced in the economic aspects are quite diverse and not conducive to driving investment, apparatus spending patterns, and development that have not fully supported the local economy. This is due to the problem of apparatus residence, the selection of regency capitals that have not been able to create an economic center in DOB, limited infrastructure economic support, and central government facilities.

In the 2015-2019 period, the DOB government's financial performance experienced an increase, both in terms of decreasing fiscal dependencies and in terms of economic contributions. It's just that the performance improvement cannot be said to be optimal because it is still classified as a high fiscal dependency with a relatively low economic contribution. With the proliferation, it is expected that the level of independence in self-financing the region can increase. This occurs in the condition of government investment (capital expenditure) DOB, which is relatively more significant than in other regions. Of course, this is related to the fact that DOBs are still in a transition phase, both institutionally, apparatus, and government infrastructure. So, the policy to divide new territories needs to be done very carefully by paying attention to the study of how long an area of proliferation can be independent or free from fiscal dependence from the central government. Optimization of PAD sources in the new autonomous regions and newly established regions is relatively lower than in the parent regions. It can be said that economic resources, which are also sources of other regencies/city PAD, are generally already in a steady state. As a new region, DOB has a relatively greater focus than parent regions in terms of investment rather than consumptive spending. Thus, the contribution of government spending to GRDP is also more enormous in new autonomous regions than in parent regions.

Even though poverty reduction has occurred in all regions, it can be seen that state proliferation has encouraged the release of the sparse population from parent regions to state proliferation areas, both state proliferation, and new autonomous regions. Data shows that the poor are concentrated in new autonomous regions.

5. References

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HUMAN RESOURCE DEVELOPMENT IN LOCAL GOVERNMENTS INCREASED TRANSPARENCY AND PUBLIC ACCOUNTABILITY

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Human Resource Development in Local Governments: Increased Transparency and Public Accountability*

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Abstract

The purpose of this study is to explore and empirically analyze the factors affecting transparency and public accountability in local government, which have not been sufficiently researched in terms of human resource management, and good governance implementation. In particular, this study intends to examine human resource management activities focusing on the government

effectiveness dimension. This study uses a qualitative approach and phenomenological method to examine the phenomenon of participant experience along with documents that are in the setting under study. Participants consisted of nine people from the Regional Government Work Unit of Tasikmalaya City, the private sector, and the community. The researcher divided data analysis into three sub-indicators, including effectiveness and efficiency, responsiveness, and public service. The Results show Regional Financial and Asset Management Agency (BPKAD) of Tasikmalaya City as sufficient in terms of human resources, this can be verified from the number of leaders and staff, which amounts to 58 people, of which 80% are economic graduates. Although the quantity is adequate, the quality of human resources in BPKAD in Tasikmalaya City is still weak. In Conclusion of this study it is inferred that the application of the government effectiveness dimension in BPKAD Tasikmalaya City is not optimal and need adequate training to improve employee performance in financial management.

Keywords: Good Governance, Local Government, Transparency, Accountability

1. Introduction

The increasing public demand for good governance has encouraged the central government and regional governments to implement transparency and accountability in the administration of their government. Governance is considered a major determinant of economic growth,

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Second Author. Lecturer, Department of Guidance and Counseling, Faculty of Education, Universitas Pendidikan Indonesia, Indonesia Email: dodisuryana@upi.edu social progress and overall development. Efforts to achieve sustainable management and governance encompass various

scientific disciplines, and research involving natural and social sciences (Prell, 2011). In order to realize the concept of good governance, the government does not itself require to play a dominant role but rather it requires to encourage the contribution of the three pillars of the state, which are private sector, government, and the society. The increased contribution of the three pillars of the state is a proof that the changes made by the state in the past have failed to create a space for dialogue and has caused the flow of communication between people and the government to be closed. The still-popular issue of corruption, collusion and nepotism (KKN) within Indonesian government allows the problem of objectivity in the process of human resource management (Haerani et al., 2020)

The phenomenon of transparency and lack of public accountability will cause public confidence in a government to decrease (Mulgan, 2008). Public trust in government and political organizations has fallen in developing and developed countries over the last few years (Cheema & Papovski, 2010; Shanna-wallace et al., 2018). Human resource management plays an increasingly vital role in the organizational economic development of countries (Shakil et al., 2020).

The government plays an important role for transparency and public accountability because: (1) Government is considered as the main determinant of economic growth, social progress and overall development (Siddiqi et al., 2009); (2) Transparency and accountability increases public trust in government (Khalid et al., 2016; Yousaf et al., 2016); (3) Transparency guarantees access or freedom for everyone to obtain information about the administration of government, information about the policy of the manufacturing process, implementation and the results achieved (Noorlisa, 2018); (4) Accountability is the responsibility of the government to the public for any activity carried out (Weiss, 2000); (5) the decline in Indonesia's social-economic conditions (Kaihatu, 2006); (6) Creating good development and governance in the current era of globalization (Andrews, 2010); (7) Organizational transparency is a proxy for good practice in state governance (Augustine, 2012).

Efforts to restore the public trust can be achieved by trying to realize a clean and authoritative government (good governance) (Bannister & Connolly, 2011; Yousaf et al., 2016), and can improve state governance (Aguilera & Cuervo-Cazzura, 2009). Good governance

is organizational in nature with the principle of openness, justice and can be accounted for in order to achieve organizational goals. It is hoped that regional financial management will always be guided by good governance principles so that the state goals can be achieved by not making policies that deviate in financial management but are always transparent and accountable. The good governance principles consist of six dimensions of groups in governance including voice and accountability, political stability and absence of violence or terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption (Kaufmann et al., 2011).

The Government Effectiveness dimension looks at the quality of public services, civil service and the degree of freedom from political pressure, the quality of the formulation and implementation of policies and the credibility of the government's commitment to these policies. The government effectiveness dimension illustrates the capacity of BPKAD of Tasikmalaya City in the implementation phase of financial management policies and programs. In this government effectiveness dimension, the researcher divides data analysis into three sub-indicators, including effectiveness and efficiency, responsiveness and public service.

2. Literature Review

Human resources are the key factors that make profits for the organization, they ensure all creative resources in the organization (Nguyen et al., 2020). The government administration which is based on the good governance principles can be used as an effort to implement the democratic principles which reflect in upholding the fulfillment of people's rights by the authorities by upholding justice and social solidarity as well as by the enforcement of Human Rights in various aspects of state life. Good Governance can also be seen as a concept of political ideology that contains basic or general government principles that can be used as guidelines in the implementation of good governance. The perception of responsibility for detecting corruption is based on elements of task clarity, and the element of authorization (Yusnaini et al., 2020)

Regional autonomy is one of the tangible forms to support the implementation of good governance. In accordance with Law No. 23 of 2014 concerning the Regional Government, which is called decentralization,

is the transfer of governmental authority by the government to autonomous regions for regulating and managing government affairs in the Unitary State of the Republic Indonesia system. With this in mind, the region can form and implement policies according to the initiatives and aspirations of the community meaning that the region is given full authority for carrying out the management of the region.

The birth of autonomy made a shift in the system of government which was originally a form centralization into decentralization (Azlina & Amelia, 2015). A decentralized policy that is broad, real and responsible to the regions is a strategic step in two ways. Firstly, decentralization is the answer to the local problems of the Indonesian people such as national disintegration, poverty, inequality in development, low quality of life, and low development of human resources. Secondly, decentralization can strengthen the regional economic base. With decentralization, the local government financial management system is managed independently by the regional government. Decentralization is the devolution of power from the central government to the regional governments (delegation of power from the center to the regional governments) (Elvira, 2012). Transparency is the key to good governance (Hood & Heald, 2006). In good governance, transparency means creating a transparent system for citizens to be followed up (Madlm, 2012). Accountability in good governance, governments at various levels and operating market forces must be accountable to citizens and their welfare. Good governance will ensure the accountability of all social and economic forces including accountable to citizens.

The Indonesian government has made various efforts to apply the principles of good governance. In terms of laws or policies, a package of laws has been made, for example, Law Number 28 of 1999 concerning State Administration that is Clean and Free of Corruption, Collusion, and Nepotism, and Law Number 23 of 2014 concerning Regional Government. Although the government has made efforts to apply the good governance principles in financial management, there are still many problems that are related to the management of the state budget (APBN) and the regional budget (APBD). Related to the APBD, the problems found include regional cash management that has not yet implemented a "treasury single account" policy of regional treasurers who are not functionary and have not yet standardized the role and position of the Regional General Treasurer (BUD) as mandated

by the law package on state finance. Human resource competency has an effect on the quality of financial statements in the local government (Sumaryati et al., 2020)

Furthermore, other problems that have arisen in the field of regulation have not yet achieved synergy between management and regional financial responsibility. This is evident from the accrual-based government accounting standard that has not been established as stipulated in Law Number 17 of 2003 concerning State Finance. Then there are problems in the relationship between central and regional finance. Transfers from the central government to regional governments are the biggest source of revenue for the regional governments. Unfortunately, the transfer in implementation meaning context of autonomy has not been able to overcome economic growth in the regions, it even raises new problems such as irregularities to use that cannot be accounted for or even fictitious accountability, rampant corrupt practices, marking up the costs of collusion and nepotism that still flourishes and continues to be fostered by many governments both central and regional governments.

Indonesian Government has made special efforts and has joined hands with all stakeholders in disseminating and implementing good governance principles. Good governance can be implemented optimally if the management of human resources in government is always improved. The dynamics of the government including financial governance in it are not professionally managed as found in private sector management. Professional managers in the public sector are rarely found. There are even strict aspects to incorporate a private sector framework into the public sector where the values of accountability for transparency and economic professionalism have become the main framework.

3. Method

This study uses a qualitative approach and phenomenological method to examine the phenomenon of participant experience along with documents that are in the setting under study. Phenomenology is rooted in the philosophical perspective of Husserl, Heidegger, Sartre, and Merleau-Ponty. According to Moustakas (Vissak, 2010). Phenomenology intended "... to determine which experiences are meaningful for someone who already has the experience and are able to provide

a comprehensive description of their experience. From an individual description, general and universal meanings are obtained, which are the essence of the structure of the experience". The study unit is the Regional Government Work Unit of Tasikmalaya City.

Table 1: Characteristics of Respondents

Profession	Position	Age	Education
Civil servants	Head of BPKAD	51	Strata 2 (S2)
Civil servants	Head of Accounting Division	53	Strata 2 (S2)
Civil servants	Head of Legal Affairs	55	Strata 2 (S2)
Civil servants	Staff	37	Strata 2 (S2)
BUMD employee	Financial staff	48	Strata 2 (S2)
BUMD employee	Director	40	Diploma 3 (D3)
BUMD employee	Head of Division	35	Strata 1 (S1)
Lecturer	Head Lecturer	85	Strata 3 (S3)
Private sector	Owner	38	Strata 2 (S2)

In this research the data collection process was done only once, both sampled from participants and selected documents. Thus, the research design used was cross-sectional. The study was conducted in a relatively short time and the data was revealed simultaneously to all study participants and other secondary sources. The characteristics of the respondents used can be seen in Table 1.

4. Results

4.1. Effectiveness and Efficiency

The effectiveness and efficiency referred to in this data analysis are to see how the work achievement results and utilization of available resource are done to improve the performance of BPKAD employees in Tasikmalaya City. Work achievement analysis describes how the targets have been achieved by BPKAD of Tasikmalaya City in

providing financial management services to the community. In carrying out their duties, BPKAD employees in Tasikmalaya City are assigned their main duties and functions, and each employee is required to make a performance report every month to see how the employee performance achievements graphs accumulated in one year and how related to their respective target achievements. If there are employees who have not been able to optimize the work of BPKAD in Tasikmalaya City, they try to improve employee's abilities through various forms of training, both in Tasikmalaya City, provincial, and central levels to improve the quality of human resources.

Resources Utilization is aimed at improving the effectiveness and efficiency of BPKAD Kota Tasikmalaya employees in order to place the personnel in accordance with their respective competencies so that they can achieve optimal results. In its implementation, the BPKAD of Tasikmalaya City is sufficient in the use of human resources, this can be seen from the number of leaders and staff in the BPKAD Tasikmalaya, amounting to 58 people, 80% are economic graduates. Although the quantity is adequate, the quality of human resources in BPKAD in Tasikmalaya City is still weak. The weak quality of human resources in financial management is due to the weak training and personnel regeneration program. From the results of direct observation by the researchers, it is known that training was indeed provided but was inadequate and some did not get the required training.

The dimension of Government Effectiveness with indicators of effectiveness and efficiency, responsiveness in BPKAD of Tasikmalaya City can be seen from the Government Agencies Performance Report (LKIP). LKIP is a success measure that is assessed in terms of resources/costs amount to achieve the results from the activities carried out.

4.2. Responsiveness

The responsiveness that is intended in this data analysis is to see how BPKAD Tasikmalaya City performs in handling complaints, input or aspirations from the private sector and community, how BPKAD Tasikmalaya follows up with the complaints, input or aspirations. The handling of complaints, input or aspirations from the private sector can be quickly seen from BPKAD's response level in responding to problems, for example regarding the disbursement of work funds by

the private sector. As long as the terms and procedures are complete. In this case, there was a good response from BPKAD Tasikmalaya City. Aspirations or input from the private sector are not limited to being heard by BPKAD of Tasikmalaya City but are also followed up. This can be seen from the procurement of goods and services undertaken by the private sector in financial constraints.

The media used by BPKAD of Tasikmalaya City in handling complaints, aspirations or inputs from the private sector and community, through the suggestion box, Short Message Service (SMS) and telephone. In addition, for BPKAD which already has the International Organization for Standardization (ISO) standard, it uses Community Satisfaction Index (IKM) questionnaire to find out complaints in service received by taking a sample of respondents each week. Then, complaints, aspirations or input from the private sector and community can be submitted via SMS, telephone or through the website, public in submitting their complaints about the mismatch of public services.

Handling complaints, aspirations or input from the public, BPKAD of Tasikmalaya City is quick to respond. BPKAD in managing finances and assets does not directly interact with the community except its relationship with grant funds. This is evident from the many programs and activities in the BPKAD strategic plan that are not in contact with the community. As exemplified by an informant that grants or aspirations from the community will soon be followed up or realized according to the existing submission. This is certainly a process that must be passed to follow up complaints, aspirations or input from the community because if it is not in accordance with the applicable procedures, then it will not be followed up by BPKAD in Tasikmalaya City.

4.3. Public Service

The public service referred to in this data analysis looks at how the public and the private sector accesses financial management service by BPKAD of Tasikmalaya City. The researcher also wants to understand as to how service procedures provided by BPKAD are followed and the competence of BPKAD employees in Tasikmalaya City in providing financial management services to the community. BPKAD City Tasikmalaya strives to facilitate public in accessing financial

management services with Law Number 25 of 2009 concerning Public Services. The regulation is one of BPKAD's efforts in Tasikmalaya City to make it easier for people who want to gain access to the public service in obtaining financial management services. BPKAD Kota Tasikmalaya facilitates public access to financial management information service, namely through available financial management facilities. In this increasingly technological era, BPKAD of Tasikmalaya City has provided public and private services through newspapers, websites or through PPID if they need it one day.

The perceived constraints in accessing financial management services by BPKAD of Tasikmalaya City that the access of the public in obtaining financial management services is constrained by the problem of facilities and infrastructure available at BPKAD. For example internet access is problematic, therefore it impedes the provision of financial management services. The problem of access is an obstacle that prevents people from getting financial management services, especially for people from the lower middle class. Thus we know that the financial management services provided by BPKAD of Tasikmalaya City are good. The efforts made by BPKAD of Tasikmalaya City in providing better financial management services have also been good. However, the provision of financial management services is constrained by internet access.

Employee competence in providing financial management services is good because they also work according to procedures and do not hamper the service. Because they already the standard what has been done, for example in the procedure of withdrawing funds for the public and the private sector, it is good and good when the procedure is complete. However, not all employees have maximum competence. This is due to inadequate training that has not been able to cover all employees because of the limited quota of the training and the limitations of the existing budget. For this reason, not all BPKAD City Tasikmalaya employees are trained in providing financial management services. Employee competencies in providing financial management services must indeed continue to be trained because the development of financial management science also continues to experience development. According to the informant also, financial management employees must be able to follow all the developments that exist, so they are able to provide financial management services to the maximum number of people in community.

The efforts made by BPKAD of Tasikmalaya City in improving employee competencies that are still lacking in providing financial management services to the community, BPKAD of Tasikmalaya City make efforts such as free training. In this case, BPKAD staff are also involved in training to improve the competency of financial management personnel in providing financial management services because in this case, the government has prepared a special fund for the training of financial management personnel. The success of the institution in developing apparatus competence is reflected in the number of employees attending formal education. In the past two years, there have been a number of people who have attended formal education and the postgraduate program and are the Tenty in the final process. Titen the development of apparatus competency through education and training, though still very limited and minimal, continues to run as planned. Education and training intended in this ready are one of the parameters to measure the success of the development of the institution against its apparatus.

The results of this study indicate that the efforts of BPKAD leadership in Tasikmalaya City to make employees more productive through increased skills and expertise, although not yet optimal, are already running as they should. As a government agency that is concerned with employee development, the available funding is limited, therefore not all employees can be equipped with skills and expertise in accordance with their field of work. When compared with the total number of employees, the opportunity to improve skills is relatively small. This constraint is because of the limited allocation office. The training is intended to increase the knowledge, skills, expertise, and skills of the apparatus, this is in addition to the changing mental attitudes and behavior that are oriented to the task so that the employees are ready to be placed in new positions.

5. Discussion

5.1. Effectiveness and Emciency

The adequate quantity of human resources has not been matched with optimal quality. The weak quality of human resources in financial management is due to the still weak training and personnel regeneration program. Achieving organizational goals is only possible

because of the efforts of the actors found in the organization. In this case, there is a close relationship between employee performance with the performance of the institution (Madiarsomo, 2009). In other words, if the employee's performance is good, there it is likely that the organization's performance will also be good. Employees' performance will be better if they have high expertise, are willing to work because they are paid, have better future expectations.

Two important sources of organizational culture are the national cultural identity of a country's government and a sense of responsibility pervasive as a rule or not (McNutt & Batho, 2005). Organizations must provide resources for new employees to meet their needs for meaningfulness, security and efficacy to harness the energy and enthusiasm they initially bring to their roles (Albrecht et al., 2015). Training is given to employees to do certain jobs to improve their skills, knowledge, and behavior. This is the process of sharing skills and knowledge to expand and develop employees' abilities so that they can achieve better job performance (Kesen, 2016). Organizational training has been discussed and assessed in a multidimensional structure consisting of (1) support for training, (2) motivation for training, (3) access to training and (4) benefits of training. All training dimensions positively influence employee commitment. Implications have been presented to researchers and human resource practitioners about how to utilize organizational training factors to increase employee commitment (Bulut & Culha, 2010).

There is a strong relationship between the effectiveness of employee training and motivation, job satisfaction and commitment (Sahinidis & Bomis, 2008). Employees who received effective training felt they showed an increase in ability at work (Truitt, 2011). Increasing labor flexibility and mobility reduces recruitment costs and maintains business continuity (Cohen, 2014). In an effort to improve the performance of agencies at the BPKAD in Tasikmalaya City, it is expected that the human resources of the local government will be given adequate training to improve employee performance in financial management to be more effective and efficient.

5.2. Responsiveness

The responsiveness of BPKAD in Tasikmalaya City in handling complaints, aspirations or input from the private sector and the community is good, but to be able to follow up, there must be a process or requirements that must be passed to get further action from BPKAD of Tasikmalaya City. Financial management responsiveness means BPKAD's responsiveness to community needs that must be supported by funding. Of course, not all community needs will be funded because there are so many community needs. Giving employees a voice in decision making can prevent excessive risk-taking in good times as well as increasing government resilience in bad times (Kleinknecht, 2015). Training will also increase responsiveness. When collaboration arises with employees with skills as diverse as information technology development expertise, it will help address important questions and ultimately increase effectiveness and efficiency and responsiveness (Brown & Sitzmrum, 2010).

5.3. Public Service

BPKAD of Tasikmalaya City has facilitated the access of the community in obtaining financial management information services, namely by providing public and private services with newspapers, websites or PPID if they ever need it. Governments around the world are fully aware of the benefits of using information and communication technology (ICT) to improve public management practices and relationships with internal and external stakeholders (Rao, 2011). The problem of access is an obstacle that prevents people from getting financial management services, especially people from the lower middle class. Thus we can understand that not all employees have maximal competence. However training will make a meaningful contribution to support the smooth running of activities in accordance with their main tasks and functions. Planning a training program to support human resources functions in an organization setting which involves assessing the need, designing the material is to support human resource professionals, developing the training program, implementing the program and evaluating the impact of the program on departmental operational metrics (Evstratova et al., 2019). Logically, officials who have the legality of training are likely

to have working capital making it easier to complete work. Humanity faces increasingly difficult environmental problems characterized by high uncertainty, complexity, and rapid change (Crona & Parker, 2012).

6. Conclusion

The development of the human resources of the Regional Financial and Asset Management Agency (BPKAD) of Tasikmalaya City based on the results of the sub-indicators of effectiveness and efficiency, responsiveness and public services, researchers have concluded that the application of the Government Effectiveness dimension in BPKAD of Tasikmalaya City is not optimal. In an effort to improve the performance of agencies at the BPKAD in Tasikmalaya City, it is expected that the human resources of the local government will be given adequate training to improve employee performance in financial management to be better. The results of this study illustrate that most appuratus do not yet have strategic initiatives in developing their professionals, and it seems the dependence on institutions is still dominant. The attitude of employees in developing skills and expertise is still very much dependent on the ability of the institution. By following the training, employees can work in accordance with their fields of work so that employees tend to have the potential to improve work results better.

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THE IMPLEMENTATION OF PERFORMANCE-BASED BUDGETING THROUGH A *MONEY FOLLOW PROGRAM* IN IMPRESSING BUDGET CORRUPTION

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The Implementation of Performance-Based Budgeting Through A Money Follow Program in Impressing Budget Corruption

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Abstract. Performance-based budgeting is an integrated annual performance planning which shows the relationship between the funding level and the program desired outcome while money follow program concept is a budgeting approach focusing on programs/ activities related to local priorities which have a direct impact on the society. This study aims to evaluate the implementation of performance-based budgeting with money follow program concept in local government planning and budgeting. This study used a qualitative descriptive analysis approach from budget data taken off

during 2017-2019. The indicators used in evaluating performance-based budgeting were the establishment of organizational strategies, activities determination and performance evaluation of previous periods. The results showed that the local government had implemented a performance-based budgeting with money follow program concept in their planning and budgeting activities. This could be seen from their establishment of organizational strategies (visions, missions, goals and objectives), activities determinations, and previous period performance evaluations.

Keywords: Planning; Budgeting; Peifomance; Peifomance-BasedBudgeting; Money Follow Program

Introduction

The implementation of performance-based budgeting in government administration has been at the center of public management reform in the last decade (Ateh, Prasojo, & Huseini, 2019; Mazur, 2020; Miller, 2018; Yuhertiana & Fatun, 2020a). However, current researchers are skeptical of it (de Vries & Nemec, 2019). In recent years, the interest level in enactment of performance-based rises in more detail along with the increasing support from almost all countries adopting performance-based government administration (Robinson & Last, 2009) including performance-based budgeting implementation in various government level (Hijal-Moghrabi, 2019; Kim & Park, 2008; Robinson, 2013; Yenice, 2020). Efforts have been made to include performance measures in reporting, managing, budgeting and strategic planning (Krral & Akdemir, 2020; Wang, 2000; Yuhertiana & Fatun, 2020b). The enactment of performance-based in budgeting process is shown from the activities implementation *output* (Miller, 2018) and it mns parallel with mles and procedures control (Andrews, 2006).

Financial management field reformation in global governance changes continuously following almost all countries budgetary policies especially in the budgeting system which have brought basic changes (Laurenceson & Chai, 2003; Zhang, Tantardini, Kim, & de Lancer Julnes, 2020). One of them is the enactment of performance-based budgeting approach stated m planning and budgeting documents which are government work plans and budgets (Andrews & Hill, 2003a). Efforts have been implemented and developed including budgeting system changes and

developments as study and evaluation results of budgeting system implementation (Andrews & Hill, 2003b; Siti-Nabiha & Jumali, 2020). However, the efforts made are not as expected. Besides, developments in government financial management field also require budgeting system growth conformable with existing conditions (Ellul & Hodges, 2019) and it is continuously fixed for better budget preparation and quality.

The fundamental difference has been found between the old approach and the new approach in budgeting system which the old approach pays more attention to provide the input resources required by each government organization while the new approach is more achievement results oriented in resources allocation determination. This planning and budgeting process is the important process due to the direction of the organization movement. Therefore this process is constantly improved for achieving better credible budget. One of the improvement effort done in improving the credible budget is by introducing the *money follow program* principle. This principle was introduced in Indonesia at the *the kick off* Government Work Plan preparation in 2017 as a substitute of the *money follow function* principle based on the the lack of government budget allocations focus analysis especially in supporting the government priority programs. The President directed the budget allocation in government top priority agenda activities. To ensure the democratic, transparent, accountable, efficient, and effective governance enforcement, it is necessary to have thoughts designed according to the strategic plans, visions, missions, goals, objectives, programs, and activities.

Budget is the management tool to achieve organizational goals. It is essential tool for linking the planning process and the control process. As a control tool, it provides a detailed plan for government revenue and expenditure so the expenditure made can be accounted for public.

Budgeting in the government sector is a complex and long process which cannot be separated from politicization. This complexity is due to the absence of the agreement accepted by all parties regarding how to allocate government funding sources in an orderly manner. This disagreement is partly caused by political problems, the existence of different leadership values in decision making, and the existence of debates about how the budgeting system can satisfy all parties concerned, therefore current allocations are based on performance

targets. In the planning and budgeting process, the government tends to allocate the budget allocation evenly (*peanut butter costing*) rather than based on the priorities so the organization tends to receive minimum budget. Budget allocation is usually based on the tasks and the functions rather than the national development achievement goal priorities in providing the best benefits for society.

In budgeting, agencies or work units are encouraged to have *outcome* and *output* oriented. The budget is allocated mostly to government priority or main agenda activities. Beside, budget allocation amount determination must fit the efficiency principle. The budget given to each apparatus function must be adjusted to the mutual determined program priorities.

By implementing *money follow program*, the government ensures that the establishment priorities movement can run well. This concept is a budgeting approach focusing on programs/activities related to national priorities which have direct impact on society. Less focused in planning and budgeting will hamper the national development and loss in some government goals and targets. Time efficiency is one of the positive results from the implementation of *money follow program* since it precedes priority objectivity to make clear and measurable achievement goal development. Likewise, the relevant stakeholders are in one agreement in term of programs and activities time preparation since the policy makers are led to design the activities in line with predetermined priority programs.

The concept of performance-based budgeting is expected to cover the short comings appearing in traditional approach because the performance benchmarks for goal achievement and public services objectives are not set (Yuhertiana & Fatun, 2020b). The weaknesses state above are in line with the World Bank opinion that the resource allocation weakness is due to a weak planning because there is no link among policy makers, the planning, and the budgeting along with inadequate reporting on financial performance.

According to Robinson & Brumby (2005) budget allocation efficiency will increase if the implementation of medium-term expenditure framework increases; and the implementation of performance-based budgeting at the planning and the budgeting stages increases.

Budget allocation by using function approach (*money follow function*) as one of the performance-based budgeting principles is a strategic approach in maintaining the effectiveness and efficiency in budget utilization focusing on units whose have relevant task to national performance targets achievement. On several occasions, the President expressed that budget must use *money follow program* concept. So, how is the actual implementation of this concept in Indonesia budgeting?

Literature Review Budget

Basically, budget is a plan arranged in quantitative form and monetary units for a time period. The budget period is annual. From budget, people can see the management designs, the priorities, targets and the ways to meet these targets. Budgeting is an activity which has important meaning and role in the cycle of planning and controlling.

Budget as a management tool plays an important role because the management can plans, organizes and evaluates the activities based on it. Novick (1967) argues that budget is a periodic financial plan prepared based on predetermined programs. Budgeting is a budget preparation process containing a statement in the form of money unit which is the activities and performance targets reflection achieved during a certain time period. Budgeting is basically the amount determination process of economic resources allocation for each program and activity in the form of money units.

In this context, the budgeting process is defined as the process which government spending is determined or allocated. The budgeting process usually consists of four main stages: formulation, adoption, execution, and control. These stages interpret the budgeting process broadly. Therefore, the researchers include the planning and the programming which usually precede the four stages and these are not part of the government core fiscal process. Although planning and programming stage are not related to actual cash flows, the budget preparation stage can be part of the corruption process which only manifests itself in actual payments or money transfers during the implementation stage. In fact, one important argument made here is that if the initial stages are executed poorly, this will have an impact later in the process increasing corruption opportunities (Isaksen, 2005; Marti, 2013).

Performance

Performance is the achievement level description of the activity / program/organizational policy implementation in realizing the strategic goals set by the organization, customer satisfaction, and its contribution to society economic development (Bernardin, Kane, Ross, Spina, & Johnson, 1995). It can be the work behavior, appearance, or work result. Therefore, performance is a multidimensional building form so the measurement of it varies depending on many factors. Taylor (2016) argues that performance can be judged by the assessment size based on the following indicators: 1) *input*, 2) *output*, 3) *outcomes*, 4) *benefit* and 5) *Impact* (Hagedoom & Cloudt, 2003). Performance benchmarks are the success achievement measures in each regional work unit. The measure unit is a measure used to see the extent of the work unit carrying out its main tasks and functions. Performance benchmarks are set in the form of service standards determined by each region.

Performance Based Budget (PBB)

From the various literatures related to the definition of performance-based budgeting, there is a universal definition of performance-based budgeting which is the budget needed to finance expected activities (the *outputs* and *outcomes* are set out in performance targets) so each fund spent can be measured efficiently and effectively. PBB is a budgeting method for management to link any costs involved in activities with the benefits produced (Alkaraan, 2018; Robinson & Last, 2009).

A performance-based budgeting is an implemented budget and accounted based on predetermined performance targets achievement expected as a solution of the problems faced in the area (Cinquini, Mauro, & Pianezzi, 2017). Performance-based budgeting itself is a budgeting connecting each funding included in the expenditure (*output*) with the results achieved (*outcome*) such as efficiency, effectiveness, and economy as an instrument to achieve program goals and objectives (Robinson & Last, 2009).

In fact, this system arouses due to the society increasing awareness towards the public dissatisfaction of the government performance. It indicates that current government performance is the spotlight for all society levels since the activities organized implementation should give benefits for the society. It is necessary to measure the organizer

implementation. The measurement is made to assess the performance generated in a certain period which is compared with the plans made.

According to Kim & Park (2008), *performance based budgeting* is a public budgeting method connecting budget allocations with the achieved results. There are three types of *performance based budgeting* which are *presentational budgeting*, performance informed budgeting and direct performance budgeting. Presentational budgeting is a public budgeting format requiring performance information in the budgeting process. However, this performance information has not been used as the basis for determining the budget allocation amount. Second, performance informed budgeting is a public budgeting format using performance information in the decision-making process for budget allocations but it does not automatically affect the budget allocations amount. Third, *direct performance budgeting* is a public budgeting format linking performance information to public budget allocation policies (Kelly & Wanna, 2000; Publishing, Committee, & service), 2007).

Performance-based budgeting (PBB) aims to improve the quality of public budgets. Based on it, the researchers argue that the quality of public budgets is achieved when: 1) state expenditures are carried out efficiently and effectively (*operational efficiency*), 2) public financial accountability increases and 3) transparency is achieved in public budget management. To achieve budget quality, it is necessary to obtain information and performance facts as the tool used in determining budget allocations (OECD 2007).

Performance-based budgeting is a public budgeting method that has been used by many countries as the members of the OECD since the 1990s. According to the OECD report, performance-based budgeting has positive impacts on increasing public budgets efficiency (OECD 2007). Therefore, the Indonesia government has been starting to adopt the method in the context of budget efficiency since 2005. Performance-based budgeting is an approach in the planning and budgeting system for state expenditure showing the funding allocation, the expected allocation performance, and the efficiency in achieving performance.

Performance-based budgeting is a budgeting process drawing the required project costs and the expected achievement results by government spending; activities funded and the output (*output*); and the various outputs combination in expected program and the positive

impact (*outcomes*). The effective performance-based budgeting has main principle which is the relationship clarity (*link ages*) between performance measures at lower levels with a higher hierarchy of objectives/goals in terms of organizational and in terms of the positive impact (*outcomes*). It can be inferred that performance-based budgeting is a tool to achieve a certain expected performance from a budgeting plan.

Money Follow Program Concept

The *money follow program* is implemented by securing allocation to its priorities, reallocating the program activities emphasized in previous years, and streamlining non-priority programs/activities. In *money follow program* concept, the need for a budgeting approach is based on the program / activity weight in accordance with the objectives set by the government. Programs / activities have high weight if they provide great benefits to society. Through this approach, 1) there will be a high priority weight programs allocation scale for great benefits society program, 2) the funded programs and activities are more firm and clear to achieve more optimal and orderly targets, and 3) encourage efficiency through clear programs and activities coordination.

The *money follow program* concept emphasizes the need for a budgeting approach based on the program / activity weight in accordance with the objective set by the government and its assessment phase for proposed programs. Great benefits programs to society will get top budget allocation priority followed by lower weight budget allocation programs. Conversely, if the government streamlines the budget efficiency/savings, the lower weight budget allocation programs must be eliminated since not all government functions are funded. If they do not provide greater benefits to society, they are not funded.

The planning and budgeting process has become a global issue in government discussed not only in Indonesia but also in all countries. The dichotomy between the *money follow function* and the *money follow program* issue raises different perceptions even though they have no difference in principle. Both of them prioritize the selection in funding priority programs/activities; emphasize the budget allocations efficiency; and show their transparency and accountability in their performance targets clarity.

Concept of Corruption

The disclosure of various corruption modes from budget planning to the APBN or APBD implementation process is actually due to *performance-based budgeting (PBB)* utilization. In essence, PBB is a budgeting principle oriented towards the results (*output*) and benefits (*outcome*) of each rupiah of state / regional money used to finance various central / regional government programs / activities.

The PBB system is a system currently used by developed countries as a substitute of old model budgeting system known as the *line item budgeting system*. It is a traditional budget model oriented towards input or the budget amount used to finance programs / activities.

Carter (1994) states that PBB uses mission statements, goals, and objectives to explain spending money reason. These missions and objectives setting are allocating resources way to achieve certain goals based on program / activity objectives and measurable results. This concept is regulated in article 7 and article 12 of Law Number 17 of 2003 concerning about the state finance that the preparation of the APBN must refer to the government administration needs (*money follow function*). Based on this perception, the State Finance Law stipulates that the budget policies formulation to the budget management accountability report can be included in the state finance meaning scope. This implies that the APBN/APBD formulations at legislative proposed by the government have juridical consequences. It means that the budget discussion process is carried out with the legislative council by the budget body included in the state financial management activities accountable phase.

The circulation of legislative members names accused of being associated with the APBN allocation funds to finance the electronic KTP program cannot be separated from the State Finance Law role placing a comprehensive budget accountability system from budget planning in the legislative domain until the budget accountability report is submitted by the executive to legislative. Thus, the use of PBB is a key factor in tracking the various corruption modes occurrence or budget allocation errors.

Political elites and bureaucrats as well as other state administrators should realize that in PBB concept, there are no areas in the state financial management system beyond the internal and external

supervision scope. The corruption case of UPS (*uninterruptible power supply*) procurement fund usage in DKI Jakarta Province was started from DKI Jakarta Regional Budget allocation (APBD) discussion traced by investigators. Moreover, the state finance definition used by Article 1 point 1 of the State Finance Law using a broad and comprehensive approach has placed the state finance scopes from their sources contained in the state or regional budget planning and the state finance flows to various subjects, objects, and programs / activities using state finance funds.

In other words, the authorization function implementation as the basis for income and expenditure implementation political affirmation in political authority realm to allocation and distribution function implementation in program / activity realm duty technocratically can not be separated from internal and external supervision reach. Various quantitative and qualitative indicators used to measure budget absorption are currently used as a common thread to trace back the budget utilization traces or financial statements and cash flows notes.

PBB can close the gap against administrative malpractices in state/regional finance management. This should be an early warning system for anyone who is responsible for managing state finances starting from policy makers to budget policy implementer that budget corruption will sooner or later be uncovered. There is no longer a gray area for budget corruption and goal oriented.

Research Methodology

This study used a qualitative descriptive analysis approach by collecting data from official documents publication. The purpose of this qualitative research was to describe the research object actual situation.

Result And Discussion

Money follow program as an order or direction from the leader is a clear program. However, as a concept, it is necessary to know the problem faced in *money follow function* concept understood by budget planning bureaucrats. Many questions arise in this new concept, whether these two concepts are contradict or they have different viewpoint only or perhaps the arising problems are only in optimizing the role and coordination among units involved in planning and budgeting.

In addition to the concepts use, there are other problems in implementing performance-based budgeting in Indonesia. First, the various parties efforts sorting budgets according to sectors indicate that budget planning is no longer needed because budget allocations are divided based on the sectoral law mandate. This implies that clear performance formulations or strong linkages between programs /activities and their outputs are no longer needed. All of them are not necessary since each sector which the budget guarantee stated in the legislation does not need sophisticated planning.

Second, the '*let the managers manage*' aspects implementation as performance-based budgeting application next step needs to be more elaborated and optimal. Its concept gives creativity freedom for the ministries/agencies leadership for successful performance targets. Besides, the budgeting realm central government such as budget directorate general must see the '*let the managers manage*' implementation as a transitional work tasks from administrative task or the budget document arrangement and establishment to strategic task-work such as *the review baseline* or linking additional budget with development priority issues in the *trilateral meeting* forum.

The planning and budgeting process are the important processes because the process results indicate the organization movement. Therefore the planning and budgeting process are *continuously improved* to achieve credible budget. One of the efforts to improve it is by introducing the *money follow program* principle. It was launched by President Jokowi at the 2017 Government Work Plan *kick-off* preparation as a substitute for *money follow function* principle. Starting from the lack of the ministries / agencies budget allocation focus analysis especially in supporting government priorities, the president directed that the budget must be allocated to the government's priority or main agenda activities. It is common in the planning and budgeting process that ministries / agencies tend to allocate budgets evenly (*peanut butter costing*) rather than to allocate budget based on priorities activities/ programs so many of the activities/programs received minimum budget. Budget allocation is usually carried out based on tasks and functions only rather than priorities activities to achieve national development goals and to provide the best benefits to society.

Why Should Money Follow Program?

Budget priority has been a crucial thing since government faces challenges in its *envelope resources* that should meet all development program needs. Tax revenue as the support main source for the state budget is still limited in its ability to meet the development agenda funding needs. The unrecovered world economy has contributed to the less optimal achievement of state coffers from the taxation sector so the government *resources* to finance development are limited. This limited expenditure resource is inversely to society high demands towards the government services. Accelerating government spending on infrastructure and the increasing need for *mandatory spending* also requires a large budget. Basic infrastructure provision; energy needs fulfillment; adequate transportation facilities; and better public service such health and education sectors are several development focuses voiced continuously by various groups. Therefore, the government mandates the ministries/agencies to focus their budgets in supporting the government performance achievement especially on high national *leverage* programs. These programs are externally oriented for providing benefits to the government bureaucracy. This is in line with the 2018

Government Work Plan preparation theme based on Presidential Decree number 79 of 2017 concerning about the 2018 Government Work Plan entitle "spurring investment and infrastructure for growth and equity". This means that ministry / agency budget allocations should be focused on supporting this achievement theme.

Operationalization of the Money Follow Program The next question is how to make the *money follow program* approach concrete in the planning and budgeting process. The Finance Ministry as a K/L applies this approach by strengthening the *resource forum* as communication tool for agreeing on performance targets and budgeting support needed between the resource function manager and the technical function manager. This forum is in line with *money follow program* principle considering proposed work plans and strategic initiatives for the coming year by taking into account the previous year achievements and current year projections. It is also carried out in stages both at the ministerial level and at the echelon I level so *ownership* and commitment will be created from priority activities owners. It is designed during the work plan preparation or indicative part, work plan preparation, and

ministry / agency budget or budget usage determination time and budget allocation determination time.

To facilitate discussion at the work plan formulation stage, each of this priority activity proposal or strategic initiative is outlined in a document called the *Comprehensive Budget Document* (CBD). It provides information comprehensive overview starting from the profile, performance measurement, risk profile, person in charge, implementation timeline, achievement *trajectory*, and activity budget requirement. These documents are used as the various forums references discussing work plans and various party budgets. These provide the prior information on the priority activity or strategic initiative presented before the budget allocation approval.

The priority activities are *mandatory (top down)* *Operasionalisasi Money Follow Program*

Mondarory RKP (PN)

from the central government. The allocation is determined through a series of meetings coordinated by Bappenas such as discussions on *multilateral meetings* with ministries/institutions as the *leading sector* including discussions at the national development deliberation forum aligned with the regional government budget agenda. There are several national priorities supported by the Finance Ministry in 2018 such as national health priority; business development and tourism; energy security; poverty alleviation; regional development; and law politic and security defense.

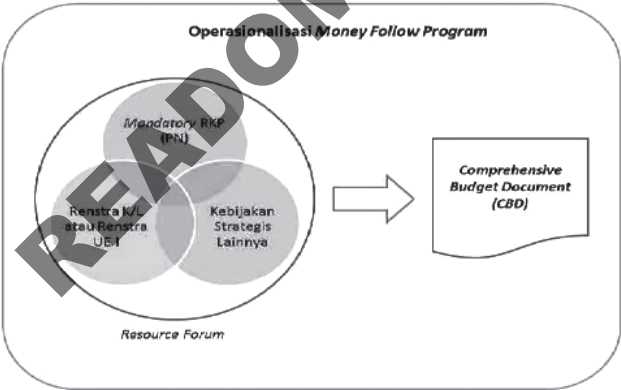
One example of the regional development national priorities is a rural development priority program by strengthening village governance priority activities. The finance ministry contributes through village fund training implementation to increase village fund manager capacity. It is important due to the increasing village budget allocations from year to year. Through increasing the manager capacity, village fund *multiplier effect* in development will be more optimal.

Besides *top-down*, priority activity or strategic initiative proposal can come from the ministry (*bottom up*) through discussion forum among the ministerial and all program plan owners or echelon I officials for agreeing on the priority activity plan or strategic initiative. The agreement is from the bureaucratic reform initiative and institutional

transformation especially the *outcome* orientation and the national impact. In line with the Finance Ministry duties and functions, several initiative agreements focus on the central theme, the income theme, the budgeting theme and the treasury theme. On the central theme as the example, Finance Ministry gives culture strengthening especially the efficiency culture.

From the revenue aspect, there are initiatives to increase tax revenues and non-tax state revenues through the information system modernization. Likewise, budgeting and treasury are demanded to be more efficient in allocating and in its implementation through simplifying the administrative process while maintaining accountability. Alternative proposed priority activities can also refer to the medium-term or strategic planning document which is better known as the government's strategic plan.

The Renstra document becomes one of the references which the document has achieved targets along with strategic objectives including success measures. In operational manner, it also describes the policy direction and achievement strategy. This strategy is manifested in the real priority activities form for the ministry.



Implementation Challenges and Way Forward

This change brings challenges in the *existing* process. The habitual budget allocation focusing on routine activities allocations rather than strategic matters or breakthroughs cannot be changed in a short time. In practice, strategic matter should have budget allocation to avoid additional budget demand.

In addition, even though the activities/programs are strategic and funded, the allocation amount determination should consider efficiency principle. The Finance Ministry directs these strategic activities to meet their allocations from the less strategic budget allocations refocusing or *core function* units implementation as an alternative effort to meet budgetary needs. If it cannot be done in an echelon I unit by reallocating budgets between activities, reallocation can be made between programs or between echelon I units. In usual *input*, it can be done by streamlining expenditures for goods related to official travel, team honorarium or other unproductive spending.

No less important, after carrying out budget prioritization, the monitoring and evaluation implementation are done to ensure the implementation running in line with the plan. To build harmony in performance managements, these priorities can be used as strategic initiatives and their performances can be continuously monitored by considering their risk map so the potential disrupting things or less optimal performances can be mapped and mitigated in the beginning. In other words, the *money follow program* can be a catalyst for the performance-based budgeting implementation; and harmonizes the planning, the budgeting and the performance management.

Conclusion

Budget prioritization in government is definitely a crucial thing done as the consideration of limited government *envelope resources* for meeting all development program needs. Tax revenue as the main source to support APBN has limited ability to meet the development agenda funding needs. The unrecovered world economy has contributed to less optimal achievement of state coffers from the taxation sector so the government *resources* to finance country development are limited. This expenditure resource limitation is inversely to the high society demands towards the government high performance. Accelerating government spending on infrastructure and the increasing need for *mandatory spending* requires a large budget. Basic infrastructure provision, meeting energy need, and adequate transportation facility are several development focuses voiced continuously by various groups such as the demand for better public services in the health and education sectors. Therefore, it is not an exaggeration if the government mandates ministries /

agencies to focus their budgets to support government performance achievements especially on high national *leverage* programs. These programs are not only giving benefits to the government bureaucracy but also more externally oriented which means that budget allocations for ministries / agencies should be focused on supporting this theme achievement.

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Kepemimpinan dalam Peningkatan Kualitas Pelayanan Publik di Daerah

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Abstrak. Pelayanan publik merupakan pelaksanaan tugas-tugas pemerintah secara langsung untuk memenuhi kebutuhan dan kepentingan masyarakat. Namun yang terjadi saat ini adalah munculnya fenomena pemerintah dalam melaksanakan kegiatan pelayanan publik yang sering diartikan dalam konotasi yang berbeda oleh masyarakat. Karena itu, dinilai perlu dilakukan peningkatan kualitas pelayanan publik sesuai dengan kebutuhan masyarakat. Hal ini tentunya sangat dipengaruhi kepemimpinan yang baik untuk penyempurnaan penyelenggaraan pelayanan publik sebagai suatu kebutuhan yang mendasar guna peningkatan pelayanan publik kepada masyarakat. Tujuan penelitian ini adalah untuk mengetahui

keterkaitan hubungan kepemimpinan lokal dalam pelaksanaan pelayanan publik sehingga adanya peningkatan kualitas dalam pelayanan publik. Penelitian ini menggunakan metode kuantitatif dengan pendekatan deskriptif dengan teknik pengumpulan data dalam penelitian ini terdiri dari observasi angket dan studi literatur (*library research*). Penentuan sampel penelitian melalui metode *multistage random sampling* dan merumuskannya ke dalam rumus Slovin. Hasil penelitian menunjukkan adanya besaran kualitas pelayanan publik. Bidang kebersihan penanganan kebersihan adalah 4050 atau 67,50% dengan predikat cukup baik. Besaran kepemimpinan dalam penanganan bidang kebersihan adalah 3918 atau 65,30% dengan predikat cukup baik. Terdapatnya perbedaan antara kepemimpinan terhadap kualitas pelayanan kebersihan penanganan kebersihan di Kecamatan Jatinangor dengan nilai $\tau = \frac{n_p - n_r}{C(n,2)} = 0.56$.

Kata kunci: Pelayanan Publik; Kualitas Pelayanan Publik; Kepemimpinan; Pemerintah Daerah

Abstract. Garbage as a elementary problem of human life in forward territory, raises the handling urgency through providing performance of public service in hygiene which is the success depends on leadership of a leader. This research uses quantitative methods with descriptive approach. Determination of research sample through multistages random sampling method and formulating them into Slovin formula. Research results show that the measurement of service quality in hygiene in the Jatinangor District Sumedang Regency is 65.3(%) or 3918 with good predicate. Measurement of Head of Subdistrict's leadership in Jatinangor Subdistrict Sumedang Regency is 65.3(%) or 3918 with good predicate. As well as there is association of Head of Subdistrict's leadership towards service quality of hygiene in managing waste at the Jatinangor District with $\tau = \frac{n_p - n_r}{C(n,2)} = 0.56$.

Keywords: Leadership; Services Quality; Local Government Organizations

Pendahuluan

Efisiensi sektor publik merupakan salah satu kunci menuju terciptanya daya saing nasional di tingkat pasar global (Afonso et.al., 2009; Prideaux & Cooper, 2016). Semua negara berusaha mereformasi diri pada semua

tataran pemerintahan untuk bisa mengakomodasi aspirasi masyarakat sebagai konsumen pelayanan publik (Osborne, 1993; Thompson & Riccucci, 2003). Tujuan tatanan penyelenggaraan pemerintahan adalah untuk mewujudkan kesejahteraan masyarakat dengan adil dan makmur (Jing, 2021; Kahne & Westheimer, 1996; Stewart & Walsh, 1992), pemerintah melaksanakan dan menyelenggarakan kegiatan negara, termasuk memberikan pelayanan publik kepada warga negaranya (Albury, 2005; Hartley, 2005; Moore & Hartley, 2008; Torfing, 2019; Torres & Pina, 2010). Pelayanan publik merupakan pemberian layanan atau melayani keperluan masyarakat atau warga negara yang mempunyai kepentingan pada organisasi itu sesuai dengan aturan pokok dan tata cara yang telah ditetapkan (Denhardt & Denhardt, 2015). Pemerintah pada hakekatnya adalah memberikan pelayanan kepada masyarakat serta menciptakan kondisi yang memungkinkan setiap anggota masyarakat untuk mengembangkan kemampuan dan kreativitas demi mencapai tujuan bersama (Tiernan, 2015; Walsh, 1991).

Pelayanan publik menjadi hal yang paling penting karena berhubungan dengan komunitas masyarakat yang sangat banyak (Van Wart, 2014). Dalam hal ini, negara sebagai suatu organisasi harus memainkan perannya sebagai institusi terdepan yang berhubungan dengan pelayanan kepada masyarakat (Walle & Bouckaert, 2007). Dalam konteks ini, pelayanan publik merupakan pelaksanaan tugas-tugas pemerintah secara langsung untuk memenuhi kebutuhan dan kepentingan masyarakat (Van Wart, 2014). Namun yang terjadi saat ini adalah munculnya fenomena pemerintah dalam melaksanakan kegiatan pelayanan publik yang sering diartikan dalam konotasi yang berbeda oleh masyarakat (Newman & Clarke, 1994). Birokrasi lebih cenderung dinilai oleh masyarakat adalah sebagai suatu proses layanan yang sangat berbelit-belit dan yang panjang dan berbelit-belit ketika masyarakat berurusan dengan pelayanan publik (Light, 2001; Nahrudin & Tambajong, 2017; Newman & Clarke, 1994). Maka dinilai perlu dilakukan peningkatan kualitas pelayanan publik sesuai dengan kebutuhan masyarakat (Ler, 2017; Light, 2001; Newman & Clarke, 1994; Priyono et al., 2021; Seay et al., 19%). Hal ini tentunya sangat dipengaruhi oleh kepemimpinan yang baik untuk penyempurnaan penyelenggaraan pelayanan publik sebagai suatu kebutuhan yang mendesak guna peningkatan pelayanan publik kepada masyarakat (Priyono et al., 2021).

Pelayanan publik sudah seharusnya dapat diselenggarakan secara berkualitas oleh pemerintah atau negara (Martin, 1986; Schick, 2003; Wyckoff, 2016). Kualitas pelayanan publik bisa dilihat dari tingkat keunggulan yang diharapkan dan pengendalian atas tingkat keunggulan tersebut untuk memenuhi keinginan pelanggan (Wyckoff, 2016). Apabila jasa atau pelayanan yang diterima atau dirasakan (*perceived service*) sesuai yang diharapkan, maka kualitas jasa atau pelayanan dipersepsikan baik dan memuaskan. Jika jasa atau pelayanan yang diterima melampaui harapan pelanggan, maka kualitas jasa atau pelayanan dipersepsikan sebagai kualitas yang ideal. Sebaliknya jika jasa atau pelayanan yang diterima lebih rendah daripada yang diharapkan, maka kualitas jasa atau pelayanan dipersiapkan buruk.

Kualitas pelayanan umum menunjuk pada pengertian tingkat keunggulan yang diharapkan dalam penyelenggaraan pelayanan oleh pemerintah kepada masyarakat sesuai dengan harapan atau keinginan masyarakat sebagai penerima layanan. Sehingga pelayanan umum baru dapat dikatakan berkualitas jika sesuai dengan harapan atau keinginan penerima layanan, yaitu pelayanan yang sederhana, jelas dan pasti, aman terbuka, efisiensi, ekonomis, adil dan tepat waktu, dengan demikian pelayanan tersebut dapat memberikan kepuasan bagi pengguna layanan.

Kualitas pelayanan yang optimal merupakan suatu pencapaian yang sangat diharapkan dari suatu pekerjaan, khususnya pencapaian kualitas pelayanan yang optimal hanya dapat dicapai oleh para aparat kecamatan dalam melaksanakan pekerjaannya. Namun banyak faktor pula yang mempengaruhi kualitas pelayanan ini, salah satunya adalah faktor kepemimpinan. Jika pemimpin tidak mempunyai kepemimpinan yang baik, maka bawahan akan sangat sulit berkembang karena fungsi kepemimpinan sebagai penggerak dan pemberi arahan kepada bawahannya. Peran pemimpin juga dapat sebagai pemberi motivasi kerja kepada pegawainya dalam bentuk dorongan atau penghargaan, tanpa ada kepemimpinan yang baik, maka kualitas pelayanan yang optimal akan sulit untuk terwujud.

Kepemimpinan dari berbagai segi dari mana mereka memandangnya. Kepemimpinan dapat diartikan sebagai suatu proses mengarahkan dan mempengaruhi aktifitas yang berkaitan dengan tugas dari anggota kelompok. Posisi kepemimpinan dari seorang individu yang sangat mempengaruhi hasil dari kualitas pelayanan yang disediakan kepada

masyarakat, yaitu aspek kemampuan sumber daya manusia yang terdiri dari keterampilan, pengetahuan dan sikap diupayakan untuk ditingkatkan, maka hal tersebut akan mempengaruhi pelaksanaan tugasnya, dan apabila pelaksanaan tugas dilakukan secara lebih profesional, maka akan menghasilkan kualitas, pelayanan yang lebih baik. Menekankan akan peningkatan aspek kemampuan sumber daya manusia untuk menjadi lebih profesional sehingga kualitas pelayanan akan tercipta lebih baik lagi dengan kata lain aspek dalam sumber daya manusia yang diantaranya adalah kepemimpinan dalam diri seorang pemimpin perlu dilakukan proses akselerasi demi mendorong terwujudnya kualitas pelayanan yang baik.

Mengapa kepemimpinan dipandang penting dalam pengembangan pemerintahan yang transparan dan meningkatkan pelayanan publik. Apakah itu hanya slogan bahwa kepemimpinan diperlukan dalam pelayanan publik. Bukan hanya pemerintah pusat saja yang telah dituntut untuk menunjukkan kepemimpinan yang lebih besar untuk memodernisasi pelayanan publik. Dalam era *good governance*, kepemimpinan sebagai tema kunci dalam membidik inovasi dan keunggulan (Kantor Kabinet, 1999). Oleh karena itu mengapa kepemimpinan dipandang penting dalam pengembangan pemerintahan saat ini serta meningkatkan pelayanan publik.

Metode

Desain yang digunakan dalam penelitian ini adalah desain kuantitatif dengan pendekatan deskriptif dengan teknik pengumpulan data dalam penelitian ini terdiri dari observasi, angket dan studi literatur (*library research*). Variabel penelitian ini terdiri dari dua variabel yaitu variabel bebas (X) kepemimpinan dari daerah kecamatan dioperasionalkan kedalam lima dimensi yakni dimensi edukator, dimensi administrator, dimensi supervisor, dimensi inovator, serta dimensi motivator dan variabel terikat (Y) yaitu kualitas pelayanan publik pada bidang kebersihan kepada masyarakat dioperasionalkan kedalam tiga dimensi yakni dimensi tata cara pelayanan, dimensi proses pelayanan, serta dimensi sarana dan prasarana. Untuk mempermudah pelaksanaan penelitian dilakukan penarikan sampel penelitian dengan metode *multistage random sampling* dengan didapati enam daerah kecamatan yang selanjutnya diaplikasikan kedalam formula penarikan sampel dengan rumus Slovin sebagai berikut:

$$n = \frac{N}{1 + Ne^2}$$

Keterangan:

n = Ukuran sampel

N = Jumlah populasi

e = Tingkat kesalahan *sampling* sebesar 1%, 5% dan 10%

Hasil dan Pembahasan

Pengolahan data angket dengan menggunakan penghitungan validitas kontruksi pada variabelkepemimpinan adalah sebagai berikut:

Tabel 1. Hasil Perhitungan Penguji Validitas Konstruk Kepemimpinan

No	hitung	hitung	tabel	keputusan
1	0.89	7.96	1.73	valid
2	0.87	7.77	1.73	valid
3	0,91	9.83	1.73	valid
4	0.87	7.88	1.73	valid
5	0.90	9.14	1.73	valid
6	0.87	7.94	1.73	valid
7	0.79	5.79	1.73	valid
8	0.92	10.59	1.73	valid
9	0.82	6.43	1.73	valid
10	0.88	6.43	1.73	valid
11	0.85	7.17	1.73	valid
12	0.73	4.80	1.73	valid

Berdasarkan hasil penelitian terhadap tabel diatas diperoleh hasil bahwa semua pernyataan dalam instrumen penelitian ini dinyatakan valid dan tidak ada perubahan dalam angket, karena semua butir pernyataan memiliki nilai di atas nilai kritis 0,3. Dengan demikian seluruh instrumen penelitian telah dinyatakan siap untuk digunakan sebagai alat untuk menjaring data dari para responden yang telah diformulasikan jumlahnya sebelumnya. Selanjutnya, pengolahan data

angket dengan menggunakan penghitungan validitas konstruksi pada variable kualitas pelayanan, adalah sebagai berikut.

Tabel 2. Hasil Perhitungan Validitas Instrumen Kualitas Pelayanan

Pertanyaan	'b	'i	Harga 'tabel	keputusan
1	0.89	0.94	0.444	Reliable
2	0.87	0.93	0.444	Reliable
3	0,91	0.95	0.444	Reliable
4	0.87	0.93	0.444	Reliable
5	0.90	0.95	0.444	Reliable
6	0.87	0.93	0.444	Reliable
7	0.79	0.88	0.444	Reliable
8	0.92	0.96	0.444	Reliable
9	0.82	0.90	0.444	Reliable
10	0.88	0.94	0.444	Reliable
11	0.85	0.92	0.444	Reliable
12	0.73	0.84	0.444	Reliable

Berdasarkan tabel diatas diperoleh hasil sebagai berikut, semua pernyataan dalam instrumen penelitian ini dinyatakan valid dan tidak ada perubahan dalam angket, karena semua butir pernyataan memiliki nilai di atas kritis 0,3.

Sedangkan hasil dari penghitungan pengujian reliabilitas instrumen penelitian kepemimpinan camat, yaitu sebagai berikut:

Tabel 3. Hasil Perhitungan Reliabilitas Instrumen Kepemimpinan Camat

No	'hitung	'hitung	'tabel	keputusan
1	0.81	6.13	1.73	valid
2	0.82	6.43	1.73	valid
3	0,69	4.28	1.73	valid
4	0.70	4.40	1.73	valid

5	0.82	6.43	1.73	valid
6	0.83	6.62	1.73	valid
7	0.84	6.95	1.73	valid
8	0.86	7.54	1.73	valid
9	0.86	7.54	1.73	valid
10	0.81	6.14	1.73	valid
11	0.73	4.80	1.73	valid
12	0.70	4.44	1.73	valid

Berdasarkan tabel di atas diperoleh keputusan bahwa semua item pernyataan dari variabel Kepemimpinan dinyatakan reliabel. Sementara hasil dari perhitungan pengujian reliabilitas instrumen penelitian kualitas pelayanan, yaitu sebagai berikut:

Tabel 4. Hasil Perhitungan Reliabilitas Intrumen Kualitas Pelayanan

Pertanyaan	'b	'i	Harga 'tabel	keputusan
1	0.81	0.90	0.444	<i>Reliable</i>
2	0.82	0.90	0.444	<i>Reliable</i>
3	0.69	0.82	0.444	<i>Reliable</i>
4	0.70	0.82	0.444	<i>Reliable</i>
5	0.82	0.90	0.444	<i>Reliable</i>
6	0.83	0.90	0.444	<i>Reliable</i>
7	0.84	0.91	0.444	<i>Reliable</i>
8	0.86	0.92	0.444	<i>Reliable</i>
9	0.86	0.92	0.444	<i>Reliable</i>
10	0.81	0.90	0.444	<i>Reliable</i>
11	0.73	0.84	0.444	<i>Reliable</i>
12	0.70	0.82	0.444	<i>Reliable</i>

Berdasarkan tabel di atas diperoleh keputusan bahwa semua item pernyataan dari variabel kualitas pelayanan publik pada bidang kebersihan dinyatakan reliabel. Dengan demikian seluruh instrumen penelitian telah

dinyatakan siap untuk digunakan sebagai alat untuk menjangkau data dari para responden yang telah diformulasikan jumlahnya sebelumnya.

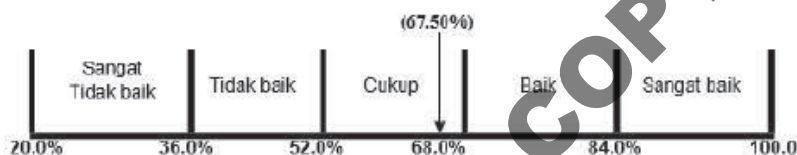
Berdasarkan hasil penelitian melalui penyebaran angket kepada responden sekitar Kecamatan Jatinangor, penulis mengemukakan kepemimpinan Camat Jatinangor berdasarkan indikator dari kepemimpinan dapat digambarkan sebagai berikut:

Tabel 5. Tanggapan Responden Tentang Kepemimpinan (Variabel X)

NO	PERTANYAAN	SKOR	KRITERIA
1	Bapak Camat mampu meningkatkan kemampuan pegawai dalam menggunakan komputer	338	Sangat Baik
2	Bapak Camat mampu menciptakan kantor yang nyaman.	333	Sangat Baik
3	Bapak Camat bisa memberikan nasehat atau semangat pada stafnya	365	Sangat Baik
4	Bapak Camat mengatur Tata kerja di Kecamatan	366	Sangat Baik
5	Bapak Camat mengatur pembagian tugas dan wewenang	297	Cukup Baik
6	Bapak Camat mengatur dan menyelenggarakan kegiatan (tugas Koordinatif)	362	Sangat Baik
7	Bapak Camat mampu mengelola kearsipan dan tata warga Kecamatan.	327	Baik
8	Bapak Camat membimbing dan meningkatkan kemampuan pelaksanaan kegiatan	374	Sangat Baik
9	Bapak Camat membebaskan berinovasi untuk hal yang lebih baik.	266	Kurang Baik
10	Bapak Camat menciptakan suasana kekeluargaan.	335	Baik
11	Bapak Camat memotivasi disiplin kerja.	366	Sangat Baik
12	Bapak Camat mengarahkan terciptanya komunikasi yang lancar ke semua arah.	271	Kurang Baik
Jumlah total skor		4050	

Tabel diatas menggambarkan tanggapan responden mengenai kepemimpinan camat dalam penanganan kebersihan. Berdasarkan hasil pengolahan yang disajikan tabel diatas, dapat dilihat bahwa skor total untuk kepemimpinan Camat dalam penanganan kebersihan adalah 4050. Jumlah skor tersebut dimasukan ke dalam garis kontinum, yang pengukurannya ditentukan dengan cara :

- Nilai Indeks Maksimum = $5 \times 12 \times 100 = 6000$
- Nilai Indeks Minimum= $1 \times 12 \times 100 = 1200$
- Jarak Interval = [nilai maksimum- nilai minimum] : 5
 $5 = (6000-1200) : 5$
 $5,7 = 6$
- Persentase = [total skor: nilai maksimum] x 1000/0 = (4050 : 6000) X 100% = 67,50%



Gambar 1 Garis Kontinum Kepemimpinan

Secara ideal, skor yang diharapkan untuk jawaban responden terhadap 12 pertanyaan adalah 6000. Dari perhitungan dalam tabel menunjukkan nilai diperoleh 4050 atau 67,50% dari skor ideal yaitu 6000. Analisis deskriptif di bidang kepemimpinan camat, yang dibangun melalui dimensi educator, administrator, supervisor, innovator, dan motivator menghasilkan skor sebesar 4050, dengan presentase 67,50% (cukup).

Atas hasil penelitian ini peneliti berpendapat bahwa tingkat kepemimpinan Carnal di Kantor Kecamatan Jatinangior Kabupaten Sumedang secara keseluruhan cukup, sehingga perlu dilakukan beberapa perbaikan, sebab dari tanggapan responden masih ada yang menyatakan kurang baik, karena masih ada hal-hal yang masih belum dapat dilaksanakan oleh Camat itu sendiri secara maksimal, sebagai contoh seorang Camat yang harusnya memberikan contoh dan keteladanan tentang disiplin dan belum mampu memberikan penghargaan kepada masyarakat yang telah ikut andil membersihkan atau menyukseskan wilayah dari kotoran yang semeraut dan lain sebagainya.

Berdasarkan hasil penelitian melalui penyebaran angket kepada responden sekitar, penulis mengemukakan kualitas pelayanan kebersihan berdasarkan indikator dari kualitas pelayanan dengan hasil sebagai berikut:

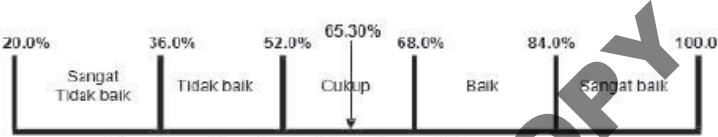
Tabel 6. Tanggapan Responden Tentang Kualitas Pelayanan (Variabel Y)

NO	PERTANYAAN	SKOR	KRITERIA
1	Apakah Bapak Camat dalam berperilaku pdayanan dapat dicontoh oleh masyarakat	265	Kurang Baik
2	Apakah aparat kecamatan sudah memberikan kejelasan dalam penyampaian pdayanannya kepada mas yarakat.	300	Cukup Baik
3	Apakah tatacara pelayanan aparat kecamatan bisa ada kepastian yang tepat.	271	Kurang Baik
4	Apakah proses pelayanan Camat bisa di tunggu ketepatan waktunya.	354	Sangat Baik
5	Apakah dalam menyelesaikan permasalahan masyarakat, camat tidak memihak.	364	Sangat Baik
6	Bagaimana tingkat keamanan dalam proses pelayanan masyarakat di kecamatan Jatinangor.	359	Sangat Baik
7	Bagaimana sikap aparatur di kecamatan dalam memberikan pelayanan.	290	Cukup Baik
8	Bagaimana sikap kesopanan aparat terhadap pdayanan masyarakat sudah dinilai baik.	319	Baik
9	Apakah masyarakat sudah mendapatkan pelayanan yang maksimal dari pihak kecamatan yang dibarengi dengan sikap ramah.	334	Baik
10	Apakah cara pelayanan di kecamatan Jatinangor disertai keramahan dari masing-masing petugasnya.	350	Sangat Baik
11	Bagaimana kelengkapan sarana di lingkungan masyarakat sudah dipenuhi kekurangannya.	356	Sangat Baik
12	Apakah kecamatan sudah memberikan kelengkapan prasarana di desa-desa dilingkungan Kecamatan Jatinangor.	356	Sangat Baik
Jumlah total skor		3918	

Tabel diatas menggambarkan tanggapan responden mengenai kualitas pelayanan dalam penanganan kebersihan. Berdasarkan hasil pengolahan yang disajikan tabel diatas, dapat dilihat bahwa skor

total untuk kualitas pelayanan dalam penanganan kebersihan adalah 3918. Jumlah skor tersebut dimasukkan ke dalam garis kontinum, yang pengukurannya ditentukan dengan cara :

- Nilai Indeks Maksimnnn = $5 \times 12 \times 100 = 6000$
- Nilai Indeks Minimrnn = $1 \times 12 \times 100 = 1200$
- Jarak Intetval = [nilai maksimrnn-nilai minimrnn] : 5
- = $(6000 - 1200) : 5$
- = $5,7 = 6$
- Persentase = [total skor: nilai maksimrnn] x 100%
- = $(3918 : 6000) \times 100\%$
- = $65,300/o$



Gambar 2. Garis Kontinum Kepemimpinan

Secara ideal, skor yang diharapkan untuk jawaban responden terlladap 12 pertanyaan adalah 6000. Dari perhitungan dalam tabel menunjukan nilai diperoleh 3918 atau 65,30% dari skor ideal yaitu 6000. Analisis deskriptif di bidang kepemimpinan camat, yang dibangun melalui dimensi educator, administrator, supervisor, innovator, dan motivator menghasilkan skor sebesar 3918, dengan presentase 65,30% (cukup).

Berdasarkan tabel di atas dapat diketahui bahwa keseluruhan tanggapan responden mengenai variabel Y, yaitu kualitas pelayanan kebersihan adalah cukup, yaitu dengan nilai skor 3918. Sehingga membutuhkan bebempa perbaikan, karena masih ada beberapa daerah yang belrnn tertata mpih mengenai pelayanan publik bidang kebersihan dan ini masih harus ditingkatkan dengan melakukan pengontrolan dan pengawasan kepada semua lapisan masyarakat.

Pembahasan hasil penelitian ini mencakup analisis hubungan kepemimpinan camat (variabel X) terhadap kualitas pelayanan kebersihan penanganan kebersihan (variabel Y) dikantor Kecamatan Jatinangor Kabupaten Sumedang. Analisis kuintatif ini menggunakan perhitungan statistic untuk mengetahui sebempa besar hubungan Kepemimpinan Camat Jatinangor kabupaten Srnedang. Data yang diperoleh diolah melalui SPSS.

Analisis korelasi digunakan untuk mengetahui hubungan variabel penelitian kepemimpinan camat dan kualitas pelayanan kebersihan penanganan kebersihan dikecamatan Jatinangor kabupaten Sumedang. Dari perhitungan statistic dengan menggunakan rumus kendali, didapat 1: (korelasi) antara variabel, dengan nilai 0.0834. selanjutnya harus diketahui terlebih dahulu berapa 1: tabel dapat dilakukan pengujian hipotesisnya Untuk mencari 1: tabel dengan melihat tabel nilai-nilai 1: tata jenjang kendaltau dengan batas kritis untuk uji korelasi pearson dengan taraf kesalahan 5%, maka diperoleh nilai $1 > 2,58$.

Dengan demikian 1: z hitung $0,0834 > z$ table 2,58, maka H_0 ditolak. Artinya ada korelasi yang nyata antara X dan Y. Interpretasi tersebut bermerti hubungan kepemimpinan camat dengan kualitas pelayanan kebersihan penanganan kebersihan mempunyai hubungan kuat, karena nilai 1: (korelasi) bemda pada angka 0 dan 2, bahkan mendekati 3. Artinya apabila kepemimpinan Camat baik dan optimal, maka kualitas pelayananjuga akan berhasil dengan baik dan optimal.

Selanjutnya untuk mengetahui sebempa besar hubungan variabel penelitian antara kepemimpinan Camat (variabel X) dengan Kualitas Pelayanan Kebersihan Penanganan Kebersihan (variabel Y), dilakukan dengan rrrnus koefisien korelasi, yaitu:

$$\tau = n_p - n_n \quad C(n,2)$$

Keterangan:

- τ = koefisien korelasi
- n_p = Jumlah Rangkaing Atas
- n_n = Jumlah Rangkaing Bawah
- C = Kombinasi
- n = Rangkaing 2 = Variabel

Dengan melihat rrrnus di atas, koefisien korelasi dapat dihitung sebagai berikut:

$$KK = (0,0834)^2 \times 100\%$$

$$KK = 0.0070 \times 100\%$$

$$KK = 0.70$$

Berdasarkan perhitungan tersebut, dapat dikemukakan bahwa hubungan kepemimpinan camat (variabel X) dengan kualitas pelayanan kebersihan pengadaan kebersihan (variable Y) dikantor Kecamatan Jatinangor Kabupaten Sumedang adalah sebesar 70%, sisanya 30% berupa variabel lain yang dalam hal ini tidak ikut diki dalam penelitian.

Simpulan

Berdasarkan hasil pengolahan data di lapangan dan pembahasan hasil penelitian, maka sebagai kesimpulan adalah:

1. Besaran kualitas pelayanan publik bidang kebersihan penanganan kebersihan adalah 4050 atau 67,50% dengan predikat cukup baik.
2. Besaran kepemimpinan dalam penanganan bidang kebersihan adalah 3918 atau 65,30% dengan predikat cukup baik.
3. Terdapatnya antara kepemimpinan terhadap kualitas pelayanan kebersihan penanganan kebersihan di Kecamatan Jatinangor dengan nilai $\tau = n_p - n_n C(n,2) - 0.56$.

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LEADERSHIP IN THE QUALITY PUBLIC SERVICE IMPROVEMENT

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Leadership in the Quality Public Service Improvement

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Abstract---Public service is the implementation of government tasks directly to meet the needs and interests of the community. But what is happening today is the emergence of the phenomenon of

government in carrying out public service activities that are often interpreted in different connotations by the public. Therefore, it is considered necessary to improve the quality of public services in accordance needs of the community. This is certainly strongly influenced by good leadership for the improvement of the implementation of public services as an urgent need for the improvement of public services to the community. The purpose of this study is to find out the interconnectedness of local leadership relationships in the implementation of public services so that there is an improvement in the quality of public services. This research uses quantitative methods with a descriptive approach with data collection techniques in this study consisting of observation, questionnaire, and literature studies (library research). Determination of research samples through multistage random sampling methods and formulating them into the Slavin formula. The results showed the amount of quality of public services. The field of cleanliness handling cleanliness is 4050 or 67.50% with a fairly good predicate.

Keywords--leadership, local government, public service, quality public, service improvement.

Introduction

Public sector efficiency is one of the keys to the creation of national competitiveness at the global market level (Afonso et al., 2010; Prideaux & Cooper, 2003). All countries are trying to reform themselves at all levels of government to accommodate the aspirations of society as consumers of public services (Osborne, 1993; Riccucci & Thompson, 2008). The purpose of the order of governance is to realize the welfare of society fairly and prosperously (Jing, 2021; Kahne & Westheimer, 1996; Stewart & Walsh, 1992). The government carries out and organizes state activities, including providing public services to its citizens (Albury, 2005; Hartley, 2005; Moore & Hartley, 2008; Torfing, 2019; Torres & Pina, 2001). Public service is the provision of services or serves the needs of the community or citizens who have an interest in the organization following the basic rules and procedures that have been established (Denhardt & Denhardt, 2015). The government is essentially providing services to the community and

creating conditions that allow every member of society to develop the ability and creativity to achieve common goals (Tiernan, 2015; Walsh, 1991).

Public service is the important thing that relates to a large community (Van Wart, 2014). This means the state as an organization must play its role as a leading institution related to service to the community (Van de Walle & Bouckaert, 2007). In this context, public service is the implementation of government tasks directly to meet the needs and interests of the community (Van Wart, 2014). Moreover, what is happening today is the emergence of the phenomenon of government in carrying out public service activities that are often interpreted in different connotations by the community (Newman & Clarke, 1994). For the Public, Bureaucracy is more likely to be judged as a very convoluted service process when the community deals with public services (Light, 2001; Nahr uddin & Tambajong, 2017; Newman & Clarke, 1994). It is, therefore necessary to improve the quality of public services to the needs of the community (Ler, 2017; Light, 2001; Newman & Clarke, 1994; Priyono et al., 2021; Seay et al., 1996). In this regard, the implementation of public service depends on good leadership as an urgent need for the improvement of public services to the community (Priyono et al., 2021).

The government should provision of quality service for the public (Martin, 1986; Schick, 2003; Wyckoff, 1984). Quality of public services can be seen from the characteristic of excellence of service quality customer's needs and demands, and the provided service consistent with customer expectations (Wyckoff, 1984). If customers perceive service as they expected then the service quality perceived is good/satisfactory, and if the services received exceed the expectations of the customer, this perceived service quality is very satisfying, and vice versa. Quality public service refers to how the government is giving excellent services to the community following the expectations or desires of the community as customer service recipients. So, new public service can say to be qualified with the concept of transparent, accountable, containing the truth, fair, clarity, and certainty, democratic, participatory, and responsive to the public's needs and satisfaction. so that it can affect a person's stress condition if not fulfilled, stress is a body reaction that appears when someone faces a threat, pressure,

or a change (Suhron & Amir, 2018; Suhron et al., 2020; Suhron et al., 2019).

Excellence service quality is highly achievement expected from a job, especially optimal service quality can only be achieved by the sub-district official in carrying out their work. But, many factors that affect the service of quality, in this case: the leadership factor. If the leader does not have good leadership, then subordinates will be very difficult to develop because of the function of leadership as drive and giving direction to his subordinates. The leader's role can also be as a giver of work motivation to his employees in the form of encouragement or appreciation, without good leadership, excellent service of quality will be difficult to realize. It can prevent stress and increase one's self-esteem (Suhron, 2016; Suhron, 2017; Yusuf et al., 2019).

Leadership can be defined as the process of providing general direction and influencing individuals or groups to achieve goals. The leadership affected the quality of the results of services provided to the community, namely the aspect of human resource capabilities consisting of skills, improving in knowledge and attitudes, then this will affect the implementation of their duties more efficiently, professional, it will produce better quality in service. In other words, aspects of human resources, including leadership needs an acceleration process to encourage the realization quality of good service. Why leadership is important for developing transparent government and improving public services. Is it the only slogan that leadership is needed in public service? It is not only the central government that has been required to show greater leadership to modernize public services. In the era of good governance, leadership is the key to aims for innovation and excellence. Therefore, it can be said that leadership is seen as important in the development of the current government as well as improving public services (Avolio & Gardner, 2005; Hollander, 1992) .

Research Method

The design used in this research is a quantitative design with a descriptive approach with data collection techniques in this study consisting of observations, questionnaires, and literature studies (*library research*). This research consists of two variables, namely the independent variable (X) Leadership from subordinates, operationalized into five dimensions,

namely educator, administrator, supervisor, innovator, and motivator. The dependent variable (Y) is the quality of public services in the field of cleanliness to the community which is operationalized into three dimensions, namely the dimensions of service procedures, dimensions of service processes, and dimensions of facilities and infrastructure. To facilitate the implementation of the research, research samples were drawn using the multistage random sampling method with six sub-districts found which were then applied to the sampling formula with the Slavin's formula is given as follows:

$$n = \frac{N}{1 + Ne^2}$$

n = no. of samples

N = total population

e = error margin/margin of error *sample size margin error* 1%, 5% and 10%

Result and Discussion

Questionnaire data processing using construct validity calculations and leadership variables are as follows:

Table 1

The result of validity scores of leadership construct

NO	r _{score}	t _{score}	t _{table}	Result
1	0.89	7.96	1.73	valid
2	0.87	7.77	1.73	valid
3	0,91	9.83	1.73	valid
4	0.87	7.88	1.73	valid
5	0.90	9.14	1.73	valid
6	0.87	7.94	1.73	valid
7	0.79	5.79	1.73	valid
8	0.92	10.59	1.73	valid
9	0.82	6.43	1.73	valid
10	0.88	8.37	1.73	valid
11	0.85	7.17	1.73	valid
12	0.75	4.80	1.73	valid

Based on the research result from the table above found that all statements in this research instrument were declared valid and there were no changes in the questionnaire because all statement items had values above the critical value of 0.3. Thus, all research instruments have been declared ready to be used as a tool to collect data from the respondents who have previously formulated the number. Furthermore, the processing of the questionnaire data by using the calculation of construction validity on the service quality variable is as follows:

Table 2
The result of the validity of service quality instruments

Question	r _b	r _i	r _{count} Value	Description
1	0.89	0.94	0.444	Reliable
2	0.87	0.93	0.444	Reliable
3	0.91	0.95	0.444	Reliable
4	0.87	0.93	0.444	Reliable
5	0.90	0.95	0.444	Reliable
6	0.87	0.93	0.444	Reliable
7	0.79	0.88	0.444	Reliable
8	0.92	0.96	0.444	Reliable
9	0.82	0.90	0.444	Reliable
10	0.88	0.88	0.444	Reliable
12	0.85	0.82	0.444	Reliable
11	0.73	0.84	0.444	Reliable

In the table above, it can be seen that all questions are valid and there is no questionnaire in change because all statement items have a critical value above 0.3. While the results of the calculation of the reliability of the subdistrict head leadership research instrument are as follows:

Table 3
The result of the reliability of the subdistrict head leadership instrument

No.	r _{score}	t _{score}	r _{table} Value	Description
1	0.81	6.13	1.73	valid
2	0.82	6.43	1.73	valid
3	0,69	4.28	1.73	Valid

4	0.70	4.40	1.73	Valid
5	0.82	6.43	1.73	Valid
6	0.83	6.62	1.73	Valid
7	0.84	6.95	1.73	Valid
8	0.86	7.54	1.73	Valid
9	0.86	7.54	1.73	Valid
10	0.81	6.14	1.73	Valid
11	0.73	4.80	1.73	Valid
12	0.70	4.44	1.73	Valid

The results show that decision that all statement items from the Leadership variable are reliable. Meanwhile, the results of the calculation of the reliability of service quality research instruments are as follows:

Table 4
The results of service quality instrument reliability

Question	r'b	r'i	table Value	Description
1	0.81	0.90	0.444	Reliable
2	0.82	0.90	0.444	Reliable
3	0.69	0.82	0.444	Reliable
4	0.70	0.82	0.444	Reliable
5	0.82	0.90	0.444	Reliable
6	0.83	0.90	0.444	Reliable
7	0.84	0.91	0.444	Reliable
8	0.86	0.92	0.444	Reliable
9	0.86	0.92	0.444	Reliable
10	0.81	0.90	0.444	Reliable
11	0.73	0.84	0.444	Reliable
12	0.70	0.82	0.444	Reliable

As shown in Table 4, that all statement items from the variable quality of public services are declared reliable. Thus, all research instruments have been ready to be used as a tool to collect data from respondents whose numbers have been formulated previously. Based on the study research through the distribution of questionnaires

to respondents around Jatinangor Di strict, the author suggests the leadership of the Jatinangor's Subdistrich Head based on indicators of leadership can be described as follows:

Table 5
 Respondents' responsiveness about leadership (Variable X)

No	Tested items	Score	Evaluation criteria
1	The Subdistrict Head can improve the ability of employees in using computers.	338	Very Satisfied
2	The Subdistrict Head can make an office more create comfortable.	383	Very Satisfied
3	The sub-district head can be giving advice or encouragement to his/her staff	365	Very Satisfied
4	The Subdistrict Head regulates the work procedures in the District	366	Very Satisfied
5	The Subdistrict Head arranges the distribution of tasks and authority	297	Average
6	The Subdistrict Head organizes some activities (Coordinative duties)	362	Very Satisfied
7	The Subdistrict Head can manage files and administration of the Sub-district residents.	327	Satisfied
8	The Subdistrict Head guides for the improvement of some activities	374	Very Satisfied
9	The Subdistrict Head gives to innovate for better things.	266	Dissatisfied
10	The sub-district head created a family atmosphere.	335	Satisfied
11	The sub-district head motivation of work discipline.	366	Very Satisfied
12	The sub-district head directs created smooth communication in all directions.	271	Dissatisfied
total score		4050	

As shown in Table 5, respondents' responses to the sub-district leadership in handling cleanliness. It can be seen that the total score for the Subdistrict-Head leadership in handling cleanliness is 4050. The total score is entered into a continuum line, the measurement of which is determined by:

- Maximum Index Score = $5 \times 12 \times 100 = 6000$
- Minimum Index Score = $1 \times 12 \times 100 = 1200$
- Interval Data = $[\text{maximum index score} - \text{minimum index score}] : 5$
 $= (6000 - 1200) : 5$
 $5,7 = 6$
- Percentage = $[\text{total score} : \text{maximum index score}] \times 100\% = (4050 : 6000) \times 100\%$
 $= 67,50\%$

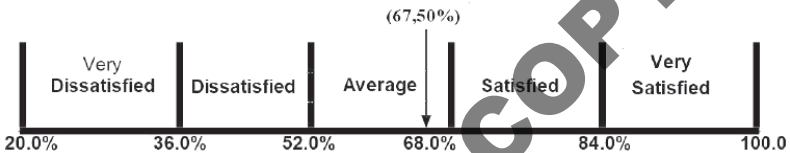


Figure 1. The leadership continuum

Ideally, the expected score for the respondents' answers from 12 tested items is 6000. From the table above as shown the value obtained is 4050 or 67.50% of the ideal score of 6000 (Zon g & Zhen, 2021; Rinarta et al., 2018). Descriptive analysis in the field of sub-district leadership, which is built through the dimensions of educator, administrator, supervisor, innovator, and motivator, results in a score of 4050, with a percentage of 67.50% (Average). According to the study of these results, the researcher believes that level of leadership of the subdistrict in Jatinangor District Office Sumedang overall is moderately satisfied because some of the respondent's responsiveness is as shown being dissatisfied, this needs improvement in this field because there are somethings that the Subdistrict head for himself cannot do optimized, for example, he/she should be an example or being role model in discipline and has not been able to give appreciation to the people who have contributed cleans' the area (Laswad et al., 2005; Afonso & Fernandes, 2008). Based on the results of the study through the distribution of questionnaires to the surrounding respondents, the authors suggested the quality of cleaning services based on indicators of service quality with the following results:

Table 6
Respondents responsiveness of service quality (Variable Y)

No	Tested items	Score	Evaluation criteria
1	Was The Subdistrict Head demonstrate good service as a role model in the community?	265	Dissatisfied
2	Did the subdistrict officer understand your question and give a clear explanation?	300	Average
3	Was the subdistrict officer give a procedure of the service with accurate?	271	Dissatisfied
4	Was the subdistrict give of service processed on time?	354	Very Satisfied
5	How objective was the subdistrict head to solve the problem in the community problems?	364	Very Satisfied
6	How well did the security level in the community service in the Jatinangor subdistrict?	359	Very Satisfied
7	How is the sub-district officer's attitude when given in service?	290	Average
8	Did the subdistrict treat you with courtesy?	319	Satisfied
9	How well did the subdistrict treat you friendly?	334	Satisfied
10	How did the subdistrict officers' in the Jatinangor District office-friendly give the service?	350	Very Satisfied
11	How well did the public facilities in the community so far?	356	Very Satisfied
12	Was the subdistrict provide the infrastructure for jatinangor's village?	356	Very Satisfied
Total Score		3918	

As shown in Table 6, respondents' responses regarding the service quality in handling cleanliness. It can be seen that the total score for the quality of service in handling hygiene is 3918. The total score is entered into a continuum line, the measurement of which is determined by:

- Maximum Index Score = $5 \times 12 \times 100 = 6000$
- Minimum Index Score = $1 \times 12 \times 100 = 1200$
- Interval Data = [maximum index score - minimum index score] : 5 = $(6000 - 1200) : 5 = 960$
- Percentage = [total score : maximum index score] x 100% = $(3918 : 6000) \times 100\% = 65,30\%$

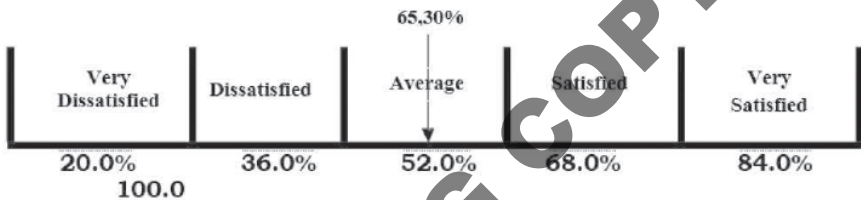


Figure 2. The Leadership Continuum

Ideally, the expected score of respondents' answers from the 12 items tested is 6000. From the table above, it can be seen that the value obtained is 3918 or 65.30% of the ideal score of 6000. Descriptive analysis in the field of sub-district leadership, which is built through the dimensions of educators, administrators, supervisors, innovators, and motivators, resulting in a score of 3918, with a percentage of 65.30% (Average). According to the table results, overall of the respondent's responsiveness regarding variable Y, namely the quality of cleaning services is sufficient, with a score of 3918. It requires some improvements because some areas have not been neatly arranged regarding public services in the field of cleanliness and still need to be done. To improve by controlling and supervising all levels of society (Epple & Romano, 1996; Francois, 2000).

The discussion of the results includes an analysis of the relationship between the subdistrict's leadership (variable X) on the quality of cleaning services (variable Y) at the Jatinangor District office, Sumedang. This quantitative analysis uses statistical calculations to find out how big

the relationship between the leadership of the Jatinangor sub-district head, Sumedang district. The data processing and analysis are using SPSS (Mund, 2016; Jurgaitis, 2018). Correlation analysis was used to determine the relationship between the research variables of the sub-district leadership and the quality of cleaning services in the handling of cleanliness in the Jatinangor sub-district, Sumedang. According to the statistical calculation using the Kendalltau formula," (the correlation) between variables, with a value of 0.0834, then it must be known in advance how many "tables can test the hypothesis. Regarding t table of values for the control level with a critical value for the Pearson correlation test with an error rate of 5%, "value of = 2.58 is obtained (Redman et al., 2013; Podgursky et al., 2004).

Thus 1 z score 0,0834 > z table 2,58, then Ho rejected. This means a significant correlation between X and Y. This interpretation means that the relationship between the sub-district leadership and the quality of cleaning services has a strong correlation, because 1value (correlation) in numbers 0 and 2, even close to 3 (Bahkia et al., 2021; Cuaresma-Escobar, 2021). This means if the sub-districts leadership is good and optimized, then the quality of service will also work well and optimized. Furthermore, to find out how big the relationship of the research variables between the Subdistrict leadership (variable X) and the Quality of Cleaning Services for Handling Hygiene (variable Y), the correlation coefficient formula is:

$$\tau = \frac{n_p - n_n}{C(n,2)}$$

Where as:

- τ = correlation coefficient
- n_p = number of top rank points
- n_n = number of bottom rank points
- C = Combination
- n = number of values 2 = Variable

According formula above, correlation coefficient:

$$KK = (0,0834)^2 \times 100\%$$

$$KK = 0.0070 \times 100\%$$

$$KK = 0.70$$

Based on the calculations stated that the relationship between the subdistrict leadership (variable X) and the quality of the cleaning service (variable Y) at the Jatinangor District office, Sumedang is 70%, the remaining 30% which is other variables, in this case, were not included in the study research (Pyon et al., 201 1; Jin et al., 2017).

Conclusion

Based on the result of the research obtained, it can be concluded that:

- The quality of public services in the field of hygiene handling is 4050 or 67.50% with a satisfying predicate.
- The leadership factor in handling the field of cleanliness is 3918 or 65.30% with a satisfying predicate.
- There is a relationship between leadership on the quality of services in the handling of cleanliness in Jatinangor District with τ value = $n_p - n_n / C(n, 2) = 0.56$.

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THE SUSTAINABILITY OF PAPUA AND WEST PAPUA SPECIAL AUTONOMY FUND (SAF) IN ASYMMETRIC DECENTRALIZATION

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The Sustainability of Papua and West Papua Special Autonomy Fund (SAF) in Asymmetric Decentralization

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Abstract:

The research aims to analyze the management of Papua and West Papua's Special Autonomy Fund. It has to be managed sustainably to improve the welfare of the people. The research is carried out to provide policy recommendations and exit policy strategies in increasing the effectiveness of special autonomy funds, which need to be taken by the government during the transition period until post-2021. Researchers will analyze the progress of the implementation of SAF during the period 2010-2019, economic development, and regional welfare in the study. The research uses

mix methods by giving more priority to descriptive qualitative or sequential qualitative analysis. Primary data were obtained from the opinions of academics, policymakers, and local governments, through field surveys and Focus Group Discussions (FGD). Secondary data were obtained from literature studies, the state budget, and the regional budget, and the indicators of welfare, economic, education, and health. It starts from the planning stage of central and regional data collection, continued with data analysis, and, finally, the preparation of the final research report. The results of the study show that there are still many problems in the management of SAF. There is no horizontal and vertical accountability of financial and policy decisions. The efficiency and effectiveness of SAF allocation, which is mainly intended for education and health, are still too low. The results of the study are expected to be used as input for policymakers and implementers of SAF policies to improve the health and welfare of the community.

Keywords: Budget, Management of the Special Autonomy Fund, Papua Province, and West Papua Province

1. Introduction

Every region in a country has different governments and regulations from other regions (Bache & Jones, 2000; Kaldor, 1970). The existence of regional autonomy allows each region to regulate its region, as long it does not conflict with the law (Briffault, 1996; Butt, 2010). The implementation of regional autonomy grants broad, real, and responsible authority to the regions. It is implemented through the regulation of the fair distribution and utilization of national resources and the financial balance between central and regional governments (Brodjonegoro & Asanuma, 2000; Brown, 2009; Siddiquee, Nastiti, & True, 2012).

The management of regional autonomy must be carried out effectively, efficiently, responsibly, transparently, and openly (Lodge, 1994), by giving broad opportunities to the community (Casey, 2018). Local governments need to pay attention to several aspects, namely: (1) regional financial management, and budgets, which occupy a central position to develop the capabilities and effectiveness of local governments (Alexeev, Avxentyev, Mamedov, & Sinelnikov-Murylev, 2019; A. Nasution,

2017); (2) a healthy bureaucracy, with entrepreneurial insight and spirit (Hofman, Kaiser, & Schulze, 2009; Shah, 2006) (Maravic, 2009); (3) the principle of propriety in government that is inseparable from ethical and moral obligations, and culture, both between the government and the people, between institutions, or government officials, and third parties (Kolthoff, Erakovich, & Lasthuizen, 2010); (4) the community participation in the development process so that the local government gets guidance on the needs and desires of the community (Lopate, 1970; Mehrotra, 2019; Ornstein, 1983).

In the era of regional autonomy, the relationship of authority between the central government and provincial, district, and city governments, or between provinces and districts and cities, is regulated by laws that take into account regional exclusivity and diversity. The constitution requires different arrangements for each region that has a special and diverse style (Gustafsson & Scurrah, 2019; Suhardi, Husni, & Cahyowati, 2019). The legal policy on decentralization implies the adoption of asymmetric decentralization. It emphasizes the specificity, privileges, regional diversity, and unity between indigenous and traditional law communities and traditional rights that are further regulated by law (Efriandi, Couwenberg, & Holzacker, 2019; Lele, 2019; Le6n, 2012).

Asymmetric decentralization includes political, economic, fiscal, and administrative decentralization. It does not have to be uniform for all regions of the country, taking into account the specificities of each region (Isra, de Villiers, & Arifm, 2019; Tan, 2019). The adoption of asymmetric decentralization policies is a manifestation of the effort to enforce privileges (Bammamy, 2019; Gagnon & Garon, 2019; Popelier & Sahadzic, 2019). The concept already exists in the practice of state administration in Indonesia, namely the existence of several regions with special autonomous regions, such as Papua & West Papua Provinces (Brodjonegoro & Ford, 2014; Haryanto, Lay, & Purwoko, 2018; Tomsa & Setijadi, 2018). The province has received special treatment in the form of special autonomy due to the conflict between the two regions and the central government regarding natural resources (Widjojo, Elizabeth, Al Rahab, Pamungkas, & Dewi, 2010). Special autonomy for Papua and West Papua, in principle, is in the form of granting special autonomy funds as compensation to the two provinces to join the Republic of Indonesia (Augustine, 2015; Arie, Ilmar, Maskun, & Bakti, 2017; Warokka, 2013).

The provision of SAF for the Provinces of Papua and West Papua always invites various discourses, even pros, and cons, inside and outside the Indonesian state (McGibbon, 2004; Salle & Van Burg, 2019; Widjojo et al., 2010). The issue developed into various political implications (Cahyaningsih & Fitriady, 2019; Dale, 2019; Morin, 2016; Singh, 2017). Practitioners consider the SAF to be a cooperation contract between the Government of the Republic of Indonesia and the people of Papua. It can be interpreted that the people of Papua and West Papua will determine their destiny after the end of the SAF (Augustine, 2013; Cahyaningsih & Fitriady, 2019; Drake, 2019; Druce, 2020; Sumule, 2004).

The provision of a large SAF is a concern for many parties. As a consequence, the government must allocate a specific budget each year in the State Revenue and Expenditure Budget (Resposudarmo, Mollet, Raya, & Kaiwai, 2014). SAF Papua and West Papua Provinces, which is amounting to 2% of the ceiling of the National General Allocation Fund (DAU), is the main concern for most people from an economic perspective. The amount of DAU is 20% of the total of the State Budget, so it can be concluded that the SAF given to the two provinces is respectively 2% of the total State Budget.

Ironically, the use of SAF, in Papua and West Papua, for a decade still has not brought prosperity to the people in the provinces (Salle & van Burg, 2019). The size of the fund managed adds to the problem of poverty and underdevelopment.

Development impacts have not yet provided significant benefits (Brooks, 2019; Faoziyah & Salim, 2016; Katharina, 2019). SAF also has not been able to reduce poverty and underdevelopment in almost all regions of Papua and West Papua, which are far from the principle of welfare (Iek & Blesia, 2019). It is certainly not in line with the objectives of autonomy. The autonomy should not only carry out democracy, but also encourage the development of the initiatives to make decisions, which relate to the interests of the local community (Ladner et al., 2019; Sturm, 2019), and to improve their destiny (Evans, Flores, & Larson, 2019).

Researching the allocation of SAF is not as easy as imagined. Once SAF is brought to the court, then the sentiment of mistrust of the people towards the central government will arise again (Brooks, 2019;

Silo, 2016). It can lead to separatism. On the other hand, there are still many shortcomings in the use of SAF. Also, many suspect that SAF is closely related to budget politics (Patashnik, 2000; Rubin, 2019). In other words, regional elites sometimes take priority in getting the funds under the pretext of ensuring that there is no separatism in the easternmost provinces of Indonesia (Aspinall, 2003; Berman, 2019).

2. Theoretical Framework

The Concept of Decentralization Decentralization is a concept that shows the transfer of authority from the central government to the lower level government to manage its territory (Faguet, 2014; Rodden, 2004; Talitha, Firman, & Hudalah, 2019). The aim is to realize the welfare of all levels of society by bringing the efficiency and effectiveness of service functions closer (Alonso & Andrews, 2019; Ghuman & Singh, 2013) and participation of the public (Moonti, 2019; Morales, 2019; Soenyono, 2017). Decentralization shows a vertical building of a form of state power (Bardhan, 2002; Schragger, 2010). It drives the process of democratization in solving local problems with all the potential and creativity of the region (Hao, 2020; Pike, Rodriguez-Pose, & Tomaney, 2016). Decentralization also aims to strengthen national integration (Gonzalez, 2016; Takao, 2019). It means that decentralization shows a vertical structure of the form of state power (Bardhan, 2002; Schragger, 2010). In the practice of governance, decentralization can be different in one region in many countries (Katorobo, 2005; Kauzya, 2005; Wehner, 2000). The experience takes place both in the form of a decentralized unitary state and in the format of federation arrangements (Lele, 2019; McGarry, 2007).

In the context of Indonesia, decentralization has become part of the national government system in the form of regional autonomy policies (Bell, 2001; Brodjonegoro & Asanuma, 2000). The governmental system is regulated in the policy of law number 23 of 2014 concerning the Regional Government (Suhardi et al., 2019). The new policy replaces the old one that is no longer following the development of the situation, state administration, and demands for the implementation of decentralization (Shuardi, Adolf, Husni, & Cahyowati, 2018). The decentralization policy is accompanied by fiscal policy to support the successful implementation of decentralization. The existence of Law

Number 33 of 2004, concerning Financial Balance Between Central and Regional Governments, supports the success of the policy (Kadir, Kuswardani, & Isnaini, 2019).

Decentralization benefits heterogeneous societies (Keating, 1992a). Minorities can be more actively involved in politics through decentralization (Most & Kourtikakis, 2019). It provides opportunities for minorities to maintain the culture (Keating, 1992b; John Loughlin, 2007), to build interethnic coalitions (J. Loughlin, 2000), and to unite fragmented countries (De Rynck, 2005).

The benefits of decentralization can be used to deal with the resistance that produces negative impacts, including fears that autonomy is a step for secession (Konings & Nyamnjoh, 2019; Sorens, 2004). Also, concerns from the majority leader that they might lose voice support, by strengthening ethnic minority identities to secede (Baubock, 2019; Cederman, Hug, Schadel, & Wucherpfennig, 2015; Flamand, 2019;

Gunes, 2019; O'Driscoll, 2017). Therefore, if the central government still has full and absolute power over the region, then that power cannot be exercised optimally by the region (Butt, 2010; Feltenstein & Iwata, 2005; Hooghe, Marks, & Schakel, 2008). As a result, the goal of the state to realize the justice and welfare of the people will be difficult to realize (Parekh, 2019). With the current global development, the system of the absolute power of the central government in a unitary state can no longer be implemented (Convery & Lundberg, 2017; Schulte & Schulte, 2020; Siroky & Cuffe, 2015).

In conclusion, decentralization promises more efficient development and encourages development towards a bottom-up approach (Holanda Maschietto, 2016; López-Santana, 2015). Also, decentralization can increase competition among local governments to spur regional economic growth (He, Zhou, & Huang, 2016; Kuncoro, 2016; Tang & Huhe, 2016) and to increase the delivery of public services at the local level (Common, Flynn, & Mellon, 2016; Efriandi et al., 2019). However, several studies show that decentralization can have several adverse impacts, such as reducing the quality of public services (Grote, 2002), increasing regional disparities (Ezcurra & Pascual, 2008; Wasim & Munir, 2017), and resulting in more corrupt governance. (Changwony & Paterson, 2019; Shon & Cho, 2020). Decentralization takes several forms, namely:

a. Symmetric Decentralization.

The application of symmetric decentralization is carried out equally in granting central government autonomy. There is no difference in performing the various roles and functions that have been decentralized without regard to the physical, ethnic, and cultural aspects in the administration of local government (Erk, 2018; Litvack, Ahmad, & Bird, 1998;

Vickers, 2011). Symmetric decentralization is generally applicable and applied in all regions in a country (Fleurke & Willemse, 2006), usually applied to countries that have controlled political stability and are not in the potential for separatist conflicts (Arthur, 2018; Flamand, 2019; Stjepanovic, 2012). It means that symmetrical decentralization is based on the assumption that all provinces have the same conditions. This assumption was taken by the central government to facilitate a system of regulation and political pressure (Bolton & Farrell, 1990; L K. Nasution, 2016).

b. Asymmetric Decentralization

The pattern of incomparable government regulation has many names in the world of political science. It is called asymmetrical decentralization, asymmetrical devolution (Lloyd & McCarthy, 2018), asymmetrical federalists (Lapidus, 1999; Wiltshire, 2020), or asymmetrical intergovernmental arrangements (LeOn & Orriols, 2016). Asymmetric decentralization arises from disappointment over the application of symmetric decentralization, which causes pluralism and many social conflicts, both vertically and horizontally. It is the reason why the symmetric decentralization policy must be reviewed.

Asymmetrical decentralization mits development is the application of special authority that is only given to certain regions in a country, which are considered as alternatives to resolve the problem of relations between the central government and different local governments. Ultimately it is possible for stronger national unity because specific problems can be resolved peacefully and agreed by all parties (Chien, 2010; Leon, 2012; Sacchi & Salotti, 2014; Tan, 2019). Through the asymmetric decentralization, certain regions within a country are given special powers that are not given to other regions (Harris & Reilly, 1998).

The asymmetrical decentralization is commonly applied in areas that do have large potential differences and experience extraordinary inequalities that can trigger turmoil. Asymmetrical decentralization approach and implementation have at least two benefits (Hannum, 2011), namely 1) as a solution to the possibility of ethnic conflict, or other physical disputes. For example, Hong Kong is part of the sovereign territory of China. China, however, gives significant powers to Hong Kong in the political, legal, and economic fields. 2) as a peaceful democratic response to the problems of minorities whose rights have so far been ignored.

Papua and West Papua Special Autonomy Fund

The special autonomy fund for the Provinces of Papua and West Papua is the implementation of Law Number 21 of 2001, concerning Special Autonomy, which was later revised to Act Number 35 of 2008, which mandates the granting and allocation of special autonomy funds to the Provinces of Papua and West Papua. The provision of SAF is an implementation of asymmetric decentralization (Golem & Perovic, 2014; Oommen, 2006). It is a decentralization state policy with special treatment. Also, in the context of implementing special autonomy, additional infrastructure funds have been allocated. The amount of the additional infrastructure fund is agreed between the Government and the Parliament. Its use is prioritized for funding infrastructure development.

The SAF formula is the equivalent of 2 percent of the national DAU ceiling for 20 years, the use of which is primarily intended to finance poverty alleviation, as well as education, social, and health funding. The government disbursed SAF, the amount of which was based on the needs and availability of APBN funds to reduce development disparities in the regions, alleviating poverty, and equitable distribution of education, which is the implication of the implementation of special autonomy. The distribution of SAF is done so that the region can regulate itself. The granting of special authority is expected to improve the community's economy to realize justice in the management of regional products, increase community welfare, and empower human resources.

The distribution of fund allocations between one province and another varies. For Papua, following the mandate of Law Number 21 the Year 2001 regarding Special Autonomy for the Province of Papua, 70 percent is allocated to the Province of Papua and 30 percent to the Province of West Papua. For Papua Province, around 80 percent is allocated to districts/cities, and provinces use the rest. While West Papua, around 90 percent, is allocated to districts/cities and the rest is used by provinces. The use of SAF in Papua and West Papua Provinces is prioritized for funding education and health.

Governability

Governability is a concept that explains the conditions of public dissatisfaction with government and democracy in Europe, America, and Japan, which at that time occurred because of the weakening of the functioning of democratic government institutions (Crozier, Huntington, & Watanuki, 1975). The weakening is what they call a crisis of governability, where the democratic machinery continues to operate, but the ability of individuals who operate the machine, to make decisions, tends to weaken (Cheung, 2013; Nasr, 1992; Yuval-Davis, 2012).

The governability model is the ability of a government to manage its main tasks and functions (Lele, 2012), in which the state can function effectively and efficiently without ignoring democratic principles (Edelenbos & van Meerkerk, 2016; Kooiman, 2010). Governability is related to the implementation of solid and responsible development management, which is in line with democracy and the free market. It is implemented to avoid misallocation of scarce investment funds and to prevent corruption, both politically and administratively, to carry out budgetary discipline, and to create legal certainty and political atmosphere for growing entrepreneurial activities (Bourgon, 2007; Thompson, 1995). The implementation of good governance can make the government develop and establish the principles of professionalism, accountability, transparency, excellent service, democracy, efficiency, effectiveness, and the rule of law that can be accepted by the whole community (Bourgon, 2007).

Governability is a two-sided concept

Emphasis on governability can be placed on two sides, namely on society or on those who hold power (Bevir, 2007; Fetus, 2007). The dualism concept leads to a functional approach because it expresses the question of governability in two ways, namely the effectiveness of government policy and the approval of the community. The effectiveness of government policy in governing concerns efficiency and legitimacy so that the failure of governing is overcome by a functional approach that is its involvement in policymaking (Kooiman, 2010).

This concept is not only fulfilled by terms or rules but also methods, approaches, theories, and science. It explains all matters that are related to the will to improve the technical aspects of the problem and the orientation of the basic values, which are adjusted to the main objectives of a government. Any arrangement that does not provide an opportunity for possibilities will form a necessity (Escobar, 2007).

Effectiveness of Regional Financial Management

Effectiveness is a concept that is very important for the government to carry out an activity or program related to the existing budget. The ability to realize effectiveness illustrates the success of the government in achieving its goals. Measuring the effectiveness of a government is not a simple matter (Rondinelli, McCullough, & Johnson, 1989).

Effectiveness is the success of an organization in achieving its goals through the preparation of appropriate programs and clear division of labor. The use of existing human resources and available infrastructure enables the optimal functioning of a work program (Brooks, 2019; Kwon, 2003, 2013; Wunsch, 1991).

Effectiveness in regional financial management is the completion of activities on time and within the available budget. It means the achievement of planned goals and objectives (Halim & Kusufi, 2007). Based on the description, it can be concluded that the effectiveness of regional financial management occurs when (1) the completion of activities on the specified time, (2) the completion of activities is within the predetermined budget limit, and (3) the achievement of the goals

and objectives set. Effectiveness is achieved if the utilization of certain amounts of resources, facilities, and infrastructure that is consciously determined beforehand can produce some goods and activities that they carry out (Gibson, Ivancevich, & Donnelly, 1996; Siagian, 2003).

In addition to being reviewed from the principle of benefits, the effectiveness of regional financial management can also be viewed from the principle of accountability to the public (Skawirska, 2014). The points put forward to examine the effectiveness of regional financial management, among others. 1) a comprehensive, transparent and comprehensive set of competencies and responsibilities of the organizational structure involved in the financial management of local government units, 2) easy access to current, reliable information, and access to natural systems for managing information existing, 3) effective, clear and understandable accounting, reporting, analysis, and financial valuation systems, 4) effective systems for monitoring the activities of local government authorities and organizational units, 5) access to necessary training and support advice for management and local government employees.

3. Method

The research method was carried out by linking the results of the qualitative method by conducting in-depth interviews with selected key informants with specific considerations, FGDs, and literature studies. Data collected in this study are primary data obtained through interviews with informants and field reviews. Secondary data was obtained from relevant institutions, namely the Regional Apparatus Organization (OPD), the Ministry of National Development Planning Agency, the Ministry of Finance, the Ministry of Home Affairs, and the Indonesian Institute of Sciences (LIPI) related to the budget preparation process. The composition of the resource persons is as follows:

Table 1. Research Resources for the Province of Papua

No.	Institution	Number of Respondents
1.	Head of the Papua Province Regional Development Planning Agency	1
2.	Civil Apparatus of State Government of Papua	3
3.	Papuan People's Representative Council	6
4.	Cenderawasih University	3

Table 2. Research Resources for West Papua Province

Reliable	Institution	Number of Respondents
1.	Governor of West Papua Province	1
2.	West Papua Regional Development Planning Agency	1
3.	West Papua People's Representative Council	4
4.	Papua State University	2
5.	West Papua Community Leaders	4

Stages of research carried out by way of 1) preliminary study to obtain an overview of issues arising from the issue of the termination of the SAF law in 2021. 2) stages of data collection at the national level by conducting in-depth interviews and focused discussions involving speakers at the central level, especially within the Ministry of Home Affairs, the Ministry of Finance, Bappenas, LIPI, and the Regional Representative Council by triangulating data (check-recheck-cross check). The results of data collection at the national level are also an input for the deepening process at the data collection stage at the regional level. 3) the stages of data collection at the regional level by conducting in-depth interviews and focused discussions involving speakers from the Provinces of Papua and West Papua, including Members of the DPRD, Bappeda OPD, as well as from academics conducted data triangulation (check-recheck-cross check). The last stage is 4) the stage of data analysis by categorizing data based on the activities of the

management of special autonomy funds. The results of this analysis will be the basis for drawing conclusions and recommendations.

4. Result and Discussion

Distribution of Special Autonomy Funds Law Number 21 of 2001 and its amendment, Law Number 35 of 2008, mandates the policy of distribution of funds in the context of special autonomy, namely the SAF, which is equivalent to 2% of the ceiling of the National General Allocation Fund (DAU). The above policy is intended to finance education and health. In its management, there is an obligation to make funding allocations in the field of education by 30%, the health sector by 15%, the people's economy sector by 20%, and the basic infrastructure sector by 20%. Besides, there are additional funds for infrastructure in the context of implementing special autonomy, the amount of which is determined based on the Provincial proposal. This fund is mainly intended to finance infrastructure development. The fund is intended so that in at least 25 years, all cities, districts, districts, or other population centers can be connected to quality land, sea or air transportation. The provinces of Papua and West Papua are expected to be able to carry out their economic activities well and profitably as part of the national and global economic system. The amount of the SAF fund is:

Table 3. Acceptance of SAF Papua

Year	General Allocation Fund (Rp.)	Additional Infrastructure Fund	Total SAF (Rp.)
2002	1 R? 00 000 000	-	1 R? 00 000 000
2003	1 539 560 000 000	-	1 539 560 000 000
2004	1,642,617,943,000	-	1,642,617,943,000
2005	1 775 312 000 000	-	1 775 312 000 000
2006	2,913,284,000,000	536,374,689,000	3,449,658,689,000
2007	3,295,748,000,000	750,000 000,000	4,045 748,000,000
2008	3 590 142 897 000	330 000 000 000	3 920 142 897 000

2009	2,609,796,098,000	1,470,000,000,000	4,079,796,098,000
2010	2 694 864 788 000	800 000 000 000	3 494 864 788 000
2011	3 157 459 547 550	800 000 000,000	3,957 459 547 550
2012	3,833,402,135,000	571,428,571,000	4,404,830,706,000
2013	4 355 950 048 000	571 428 571 000	4 927 378 620 000
2014	4,777,070,975,000	2,000,000,000,000	6,777,070,975,000
2015	4 940 429 880 000	2 250 000 000 000	7 190 429 880 000
2016	5,395,051,859,000	1,987,500,000,000	7,382,551,859,000
2017	5,615,816,931,000	2,625,000,000,000	8,240,816,931,000
2018	5.580.152.407.000	2.400.000.000.000	7.980.152.407.000
2019	5.808.230.158.000	2.824.446.537.000	8.633.676.695.000
Total	67.029.220.952.400	17.163.732.252.000	84.192.951.205.400

The table above shows an upward trend in SAF from year to year. SAF accumulation until 2019 is Rp. 84,192,951,205,400. The funds include infrastructure funds with a total of Rp.67,029,220,952,400 and general allocation funds of Rp.17,163,732,252,000.

Table 4. Acceptance of West Papua SAF

Tahun	General Allocation Fund (Rp.)	Additional Infrastructure Fund	Total Amount
2008	-	680.000.000.000	680.000.000.000
2009	1.118.484.600.000	600.000.000.000	1.718.484.600.000
2010	1.154.942.052.000	600.000.000.000	1.754.942.052.000
2011	1.353.196.948.950	600.000.000.000	1.953.196.948.950
2012	1.642.886.629.000	428.571.429.000	2.071.458.058.000
2013	1.866.835.735.000	428.571.429.000	2.295.407.164.000
2014	2.047.315.954.000	500.000.000.000	2.547.315.954.000

2015	2.117.327.091.000	750.000.000.000	2.867.327.091.000
2016	2.312.165.083.000	862.500.000.000	3.174.665.083.000
2017	2.406.778.685.000	875.000.000.000	3.281.778.685.000
2018	2.408.937.478.000	1.600.000.000.000	4.008.937.478.000
Total	18.428.870.255.950	7.924.642.858.000	26.353.513.113.950

In 2008, the Province of West Papua was declared a new autonomous region. Since then, West Papua has received SAF funding. During 11 years of granting special autonomy funds, West Papua Province received funding of Rp.26,353,513,113,950, - including infrastructure funds in the amount of Rp.7,924,642,858,000, and general allocation funds of Rp.1,8,428,870,255.950.

Seeing the current conditions, the effectiveness, purpose, and target of using SAF are still far from expectations. Data from the Indonesian Government Statistics Agency (BPS) revealed that in 2010 the Papua Province Human Development Index was 54.50%. Eight years later, in 2018, Papua HDI only increased by 5.56% to 60.06%. For the Province of West Papua, in 2010, the figure was 59.60 and rose to 63.74% in 2018, an increase of 4.14%. This HDI achievement is even smaller than some provinces resulting from the division and is still far below the 2018 National HDI, which reached 71.39%. Other BPS data shows the number of poor people in Papua Province is 26.55%, and West Papua is 22.17%. This number places Papua and West Papua as the provinces with the highest poverty rates in 2019, above the national average of 9.22%.

In addition to the above indicators, SAF funds always experience an increasing trend every year. In general, SAF in 15 years rose by 290.57 percent from Rp. 1.38 trillion in 2002 to Rp. 21.4 trillion in 2020. But on the other hand, community welfare indicators, such as poverty levels, only decreased slightly in the same time frame. Therefore, this SAF is indeed worth dissecting to measure its effectiveness. Moreover, the distribution of these funds will end in the year 2021.

The existence of great authority is expected to be the solution for the people who have been marginalized by development. Various development issues emerged as if they were the unresolved problems.

Some people believe the policy cannot improve the ability of local government to serve, to develop, and to empower the community.

Effectiveness of SAF Road Infrastructure Management

The infrastructure sector has a dual influence on the regional economy, namely the direct effect and the indirect effect. Its direct effect can be seen in employment absorption by encouraging production in other related sectors, increasing per capita income, and so on. While its indirect effects are very widespread, both in the short and long terms, such as spurring the increase in investment, move production in tradeable sectors, reduce poverty, inequality, inflation, and others. In short, the infrastructure sector is the most important and strategic enabler factor in the regional economy and is the first order condition to stimulate economic growth.

SAF aims to reduce inequality in development, provide broad authority, provide broad protection and opportunities for society, prosperity, and prosperity. The implementation of the special autonomy policy is expected to accelerate development in the fields of education, health, poverty, and infrastructure, so that it can be aligned with other regions in Indonesia, given the geographical and political region is still lagging.

Provision of infrastructure funds provided by the central government is intended so that at least within 25 years, all provinces, districts/cities, districts, or other population centers are connected with quality land, sea or air transportation. The community can carry out its economic activities well and profitably as part of the national and global economic system. The construction of national roads in the Papua-West Papua Province from 2015 to 2018 has reached 1,982 km. The 1,982 km of roads that have been built consist of 791 km in 2015, 477 km in 2016, 345 km in 2017, and 369 km in 2018. Meanwhile, for road maintenance during the 2015-2018 period, it is targeted to reach 14,367 km. The 14,367 km of roads consists of 2,933 km in 2015, 3,625 km in 2016, 3,969 km in 2017, and 3,840 km in 2018.

The community also hopes that the construction of other infrastructure in the form of housing construction for the community, the provision of clean and potable water, the provision of electricity, and providing good road access in the village, to carry out activities and facilitate economic access for the village community to the district and city.

Education and Health Levels related to SAF

Education is one of the priorities of the regional autonomy program. SAF allocates 30% for education. The HDI level should also go up with not a small allocation of funds. In reality, the HDI level of Papua and West Papua Provinces is still ranked the lowest. According to local population data, 75% of the indigenous population did not have access to proper education, 50% had never received a formal education, or did not graduate from primary school, 22% only graduated from primary school, 10% graduated from high school, and 2% graduated from university in 2010.

The education fund included in the SAF is mostly only used to build school buildings physically, but it is not accompanied by an increase in the quality of education. Many schools were built, but teachers and other educational support were not available. Another thing that causes the low quality of education is the geographical situation in which some regions are mountainous. Lack of access to education places has made people reluctant to continue their education. Papua is the province with the lowest HDI level in Indonesia. The HDI rate in 2016 was 58.05, far below the national HDI level of 70.81. In 2017, the HDI increased by 1.05 to 59.09, while in 2002, the HDI figure could break 60.1. From the data, it can be concluded that the education fund on special autonomy has not been used effectively. Oversight of the Supreme Audit Agency concluded that each additional special autonomy fund of Rp. 1 million only increased HDI by 0.000001521. The effect is very small, close to zero. In other words, the additional SAF did not have a significant impact on the increase in HDI.

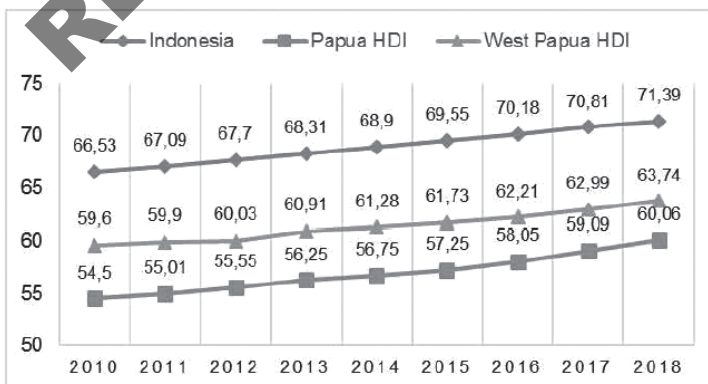


Figure 1. Comparative Human Development Index (HDI) of the National, Provincial of Papua and West Papua

The Audit of the Supreme Audit Board of the Fiscal Year 2016 shows that the Papua Public Health and Social Security programs are not synergistic so that the Provinces of Papua and West Papua lose the opportunity to use a special autonomy fund of at least Rp. 33 billion. It is because the Provincial Health Office is not careful in conducting studies and analysis related to the synergy of the implementation of the Jamkesmas and Jamkespa programs.

Despite progress, child mortality is still a significant challenge. For every 1,000 live births, 27 newborns die in the first month of life, and 115 die before reaching the age of 5 years. Increasing women's access to sexual and reproductive health services is very important. There are less than one in four adult women and adolescents aged 15- 49 years, whose family planning needs are met with modern contraceptive methods in 2015, and 58 percent of births are assisted by skilled birth attendants. The level of access is lower for mothers and children in rural areas. Continual efforts are needed to achieve and maintain high immunization coverage. In 2015, 52 percent of infants received the recommended three doses of DTP vaccine, and nearly 70 percent of infants received measles vaccination.

Poverty in the Province of Papua and West Papua

Inchawan et al., (2019) and Sumule (2003) describe that, first, 74.24% of indigenous people live in remote areas with limited access to transportation infrastructure and facilities, or even none at all. Second, approximately 80% of the population is in poverty and poor conditions in terms of agricultural production, economy, education, health, and technological mastery. Third, most indigenous people live below the poverty line. Fourth, there is almost no quality road connecting one city with another, especially that commonly used by local people to market their products, to obtain an adequate income. Fifth, the prices of consumer goods in Jayapura are, on average, 45% higher than elsewhere in Indonesia (Waimbo & Yuwono, 2012).

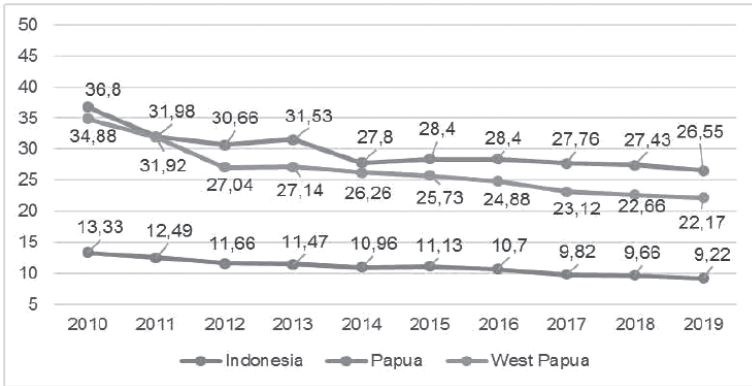


Figure 2. Percentage of Papua and West Papua Poverty

The above table illustrates the percentage of poverty in the Provinces of Papua and West Papua from 2010-2019. In 2010 the rate of poverty reached more than 36.8%. It can be interpreted that the people of the two provinces are below the poverty line in the poverty index in Indonesia. From the data, it can be seen that the poverty percentage trend from year to year is decreasing. In 2010-2019, the percentage of poverty decreased by 1.02%, while a significant decrease of 6.42% occurred in 2008-2012, the rate of poverty decreased very dramatically. If you observe the development of poverty levels during 2013-2017, poverty continues to decline, even though in 2015 it rose by 0.6 points. Poverty reduction can be accelerated again to 27.76% until 2017. In other words, the Provinces of Papua and West Papua have succeeded in accelerating poverty reduction by approximately -0.94% per year during the 2013-2017 period.

In 2019, the poverty reduction trend will decrease by 3.12%. However, poverty alleviation programs are still mostly in the form of direct assistance, not capital assistance. Direct aid was only used for daily shopping with consumptive community conditions. Villagers dominate the proportion of poor people. The percentage of villagers below the poverty line is almost 80%. It is because there are practically no quality roads that connect one city to another, especially those commonly used by local people to market their products and to obtain adequate income. However, it should be noted that until now, poverty in the Provinces of Papua and West Papua is still the highest in Indonesia. For this reason, more innovative policies are needed to accelerate poverty reduction in the future further.

Impact of SAF on the Economy

One of the successes of an area in carrying out economic development is to change its economic structure from an extractive economy to a manufacturing economy, namely the processing of semi-finished and or finished goods. Extractive economies are economic behaviors that carry out the business of extracting, extracting, or processing the wealth provided by nature, where the results taken from nature are not processed or not cultivated again. The extractive economy is more concerned with the company's maximum profit without regard to sustainable development.

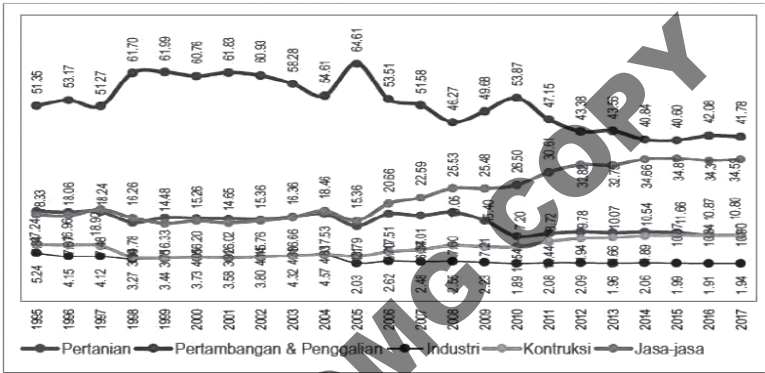


Figure 3. The Economic Structure of Papua Province in 1995-2017 (%)

The implementation of special autonomy, which began in 2001 until now, has not maximally increased the contribution of the manufacturing industry sector in the regional economy, including in lifting the agricultural sector, which absorbs more business opportunities and jobs for the poor. The redistribution of value-added to the services and construction sectors caused a downward trend in the contribution of the manufacturing and agricultural industries from 2006 to 2018. Both sectors controlled the GRDP of Papua and West Papua Provinces at around 19.21% per year during the period 2006- 2017, while the agriculture sector fell to 13.23% per year. The manufacturing industry was only 2.15% per year for the same period.

The addition of the Regional Revenue Budget since the implementation of special autonomy has caused government consumption to increase very high, where the increase is more focused on the sectors of education, health, and infrastructure services. In the future, there

needs to be a strong integration between the three strategic sectors with the agriculture and manufacturing sectors, so that the multiplier effect of increasing government consumption on these three strategic sectors will have a more significant impact on agricultural development and manufacturing industries.

5. Conclusion

SAF of Papua and West Papua Provinces have an outstanding impact on the education, health, economy, poverty, and infrastructure sectors. But the effect is not significant considering that growth is prolonged. It is hampered by the government's institutional system that has not worked effectively and efficiently both in the quality and quantity of existing human resources. Also, SAF is not distributed to the community properly. As a result, the community does not understand the use of the fund. The active role of the population is highly expected in the special autonomy.

The regional government still expects SAF because more than 50% of the regional gross income is income from special autonomy funds. If revoked, it can feel an economic imbalance that will occur in the area. The Provincial Governments of Papua and West Papua hope that the special autonomy fund will continue. If continued, the granting of the special autonomy fund needs to be revised because it does not give full authority to the regional government to implement the special autonomy law. Also, there is no explanation of how the central government and regional governments face dilemmas, such as how to exercise authority in the form of mining, foreign affairs, education, health, economic affairs and accommodate community proposals.

The central government must amend regulations regarding special autonomy funds at all levels if continued. Also, evaluation and monitoring must continue to be carried out from various layers in both the central and regional governments. The transparency of the special autonomy fund must be carried out by the regional government so that the local community is aware of the use of the special autonomy fund. It is because the community is also an evaluation tool for the special autonomy fund.

The time of disbursement of special autonomy funds by the central government also caused the ineffective absorption of special autonomy

funds. Because the special autonomy fund disbursement is done in 5. stages, but at the last step, the payment is always close to the end of that year's budget period, or December each year. The conditions cause the special autonomy fund cannot be optimally absorbed by the regional government.

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TENTANG PENULIS



Dr. DADANG SUWANDA, S.E., M.M., M.Ak., Ak., CA. memulai pekerjaan pada Direktorat Jenderal Pengawasan Keuangan Negara Departemen Keuangan pada Februari 1983, Perwakilan BPKP Provinsi Sumatera Barat, Perwakilan BPKP Provinsi Jawa Barat, dan BPKP Pusat. Diperbantukan pada Inspektorat Jenderal Kementerian Dalam Negeri sejak 2005 sampai 2013 sebagai Auditor Ahli Madya serta berbagai jabatan struktural, yaitu Kepala Bagian Administrasi dan Tata Usaha Pengaduan, Kepala Bagian Umum, Kepala Bagian Evaluasi Laporan dan Hasil Pengawasan serta terakhir sebagai pejabat eselon IIa menjadi Inspektur Wilayah III. Pernah pula diperbantukan pada Yayasan Purna Bakti sebagai Staf Ahli dan Direktur Umum pada PT. Selaras Griya Adigunatama (pengelola Pasar Induk Tanah Tinggi Tangerang). Sejak 2007 sampai sekarang, pengajar/widyaiswara tidak tetap pada Badan Diklat/Pusat Pengembangan SDM Kementerian Dalam Negeri. Sejak Agustus 2013 sampai sekarang sebagai Dosen Tetap di IPDN dengan spesifikasi pada Bidang Keuangan, Audit dan Akuntansi Pemerintah

Daerah. Sejak Oktober 2018 sampai September 2021 menjabat sebagai Kepala Pusat Penjaminan Mutu Penelitian dan Pengabdian Masyarakat. Sejak September 2021 sampai sekarang menjabat sebagai ketua SPI (Satuan Pengawas Intern). Aktif sebagai pembicara dan narasumber pada acara pelatihan, seminar, dan workshop tingkat nasional dan daerah yang berkaitan dengan penyelenggaraan pemerintah daerah. Tim penyusun modul di Deputi Pelayanan Publik Kementerian PAN RB pada 2019. Sejak 2019 sampai 2021 menjadi Staf Ahli Sekretaris Jenderal Dewan Perwakilan Daerah Republik Indonesia (DPD-RI).

Sejak 2003 sampai sekarang sering menjadi saksi ahli di Pengadilan Negeri, Pengadilan Tinggi terkait tindak pidana korupsi (Tipikor) maupun di Pengadilan Tata Usaha Negara (PTUN).

Buku-Buku yang Telah Dipublikasikan

No	Judul	Penerbit	Tahun
1	Strategi Mendapatkan Opini WTP Laporan Keuangan Pemda	PPM Jakarta	2013
2	Optimalisasi Pengelolaan Aset/Barang Milik Daerah	PPM Jakarta	2013
3	Panduan Praktis Implementasi Penyelenggaraan SPIP Pemerintah Daerah	PPM Jakarta	2013
4	Menyusun Standard Operating Procedures Lembaga Pemerintah Berbasis SPIP	PPM Jakarta	2014
5	Dana Hibah dan Bantuan Sosial	PPM Jakarta	2014
6	Kebijakan Akuntansi Berbasis Akrual Berpedoman pada SAP	PT Remaja Rosdakarya Bandung	September 2014
7	Sistem Akuntansi Akrual Pemerintah Daerah Berpedoman SAP Berbasis Akrual	PPM Jakarta	2015
8	Bagan Akun Standar Sistem Akuntansi Aktual Pemerintah Daerah	PT Remaja Rosdakarya Bandung	Juni 2015

No	Judul	Penerbit	Tahun
9	Factors Affecting Quality Of Local Government's Financial Statements	Lambert Academic Publishing Saabrucken Germany	Juli 2015
10	Dasar-Dasar Akuntansi AkruaI Pemerintah Daerah	PT Ghalia Indonesia	Maret 2016
11	Penguatan Pengawasan DPRD untuk Pemerintahan Daerah yang Efektif	PT Remaja Rosdakarya Bandung	Maret 2016
12	Optimalisasi Fungsi Penganggaran DPRD dalam Penyusunan PERDA APBD	PT Remaja Rosdakarya Bandung	Mei 2016
13	Peningkatan Fungsi DPRD dalam Penyusunan Perda yang Responsif	PT Remaja Rosdakarya Bandung	September 2016
14	Peran Pengawasan DPRD Terhadap LKPJ dan LPP APBD/ LKPD <i>Audited</i> Serta TLHP BPK	PT Remaja Rosdakarya Bandung	Januari 2017
15	Panduan Penerapan Reviu Laporan Keuangan Pemerintah Daerah	PT Remaja Rosdakarya Bandung	Februari 2017
16	Panduan Penerapan Kebijakan Akuntansi AkruaI Pemerintah Daerah	Penerbit Ghalia Bogor	2017
17	Reviu Rencana Kerja Anggaran Pemerintah Daerah	PT Remaja Rosdakarya Bandung	Januari 2018
18	Manajemen Risiko Pengelolaan Keuangan Daerah sebagai Upaya Peningkatan Transparansi dan Akuntabilitas Publik	PT Remaja Rosdakarya Bandung	Mei 2019
19	Good Governance Pengelolaan Keuangan Daerah	PT Remaja Rosdakarya Bandung	September 2019

No	Judul	Penerbit	Tahun
20	Manual Aplikasi Sistem Informasi Keuangan Daerah Berbasis Akrual (e-KEUDA)	PT Remaja Rosdakarya Bandung	November 2019
21	Forum Konsultasi Publik	PT Remaja Rosdakarya Bandung	Januari 2020
22	Sistem Informasi Pelayanan Publik	PT Remaja Rosdakarya Bandung	Januari 2020
23	Dasar-Dasar Akuntansi Pemerintah Daerah Berbasis Akrual	PT Remaja Rosdakarya Bandung	Februari 2020
24	Teknis Penyusunan Komponen Laporan Keuangan Pemerintah Daerah	PT Remaja Rosdakarya Bandung	Maret 2020
25	Panduan Penyusunan Rencana Pembangunan Jangka Menengah Daerah (RPJMD)	Putra Galuh Publisher	Agustus 2020
26	Pedoman Pelaksanaan Reviu Laporan Penyelenggaraan Pemerintah Daerah (LPPD)	PT Remaja Rosdakarya Bandung	September 2020
27	Panduan Teknik Aplikasi Sistem Informasi Barang E-KEUDA	PT Remaja Rosdakarya Bandung	Desember 2020
28	Mal Pelayanan Publik Percepatan peningkatan Kualitas Inovasi Layanan Masyarakat	PT Remaja Rosdakarya Bandung	Januari 2021
29	Penyusunan Standar Pelayanan Publik	PT Remaja Rosdakarya Bandung	Pebruari 2021
30	Reviu RPJMD dan Restra SKPD	PT Remaja Rosdakarya Bandung	Agustus 2021

No	Judul	Penerbit	Tahun
31	Kodifikasi Peraturan Desa: Penyelenggaraan Pemerintahan dan Kewenangan Desa	PT Remaja Rosdakarya Bandung	November 2021
32	Kodifikasi Peraturan Desa: Pembangunan Desa serta Pengadaan Barang dan Jasa Desa	PT Remaja Rosdakarya Bandung	November 2021
33	Kodifikasi Peraturan Desa: Administrasi dan Aset Desa	PT Remaja Rosdakarya Bandung	November 2021
34	Kodifikasi Peraturan Desa: Pengelolaan dan Pengawasan Keuangan Desa	PT Remaja Rosdakarya Bandung	November 2021
35	Kodifikasi Peraturan Desa: Pengelolaan Dana Desa	PT Remaja Rosdakarya Bandung	November 2021
36	Faktor-Faktor yang Memengaruhi Kualitas Laporan Keuangan Pemerintah Daerah untuk Mendapatkan Opini WTP dari BPK	CV Cendekia Bandung	Februari 2022
37	Strategi Manajemen Keuangan Daerah Berbasis Risiko dalam Meningkatkan Akuntabilitas dan Transparansi Sektor Publik	CV Cendekia Bandung	Februari 2022
38	Grand Design Pembangunan Kependudukan	CV Bimedia Bandung	April 2022
39	Inovasi Pelayanan pada Organisasi Publik	PT Remaja Rosdakarya Bandung	Juni 2022
40	Optimalisasi Pengelolaan Barang Milik Daerah Upaya Peningkatan Kesejahteraan Masyarakat	PT Remaja Rosdakarya Bandung	Juli 2022
41	Inovasi Pelayanan Melalui Mal Pelayanan	CV Bimedia Bandung	September 2022

Publikasi Jurnal Internasional yang Ditulis

No	Judul	Issue	Publisher	Index	Website
1	Factors Affecting Quality of Local Government Financial Statement To Get Unqualified Opinion (WTP) of Audit Board of the Republic of Indonesia (BPK)	Volume 6 No 4 Tahun 2015	Jurnal The International Institute of Science, Technology and Education (IISTE)	OJS	https://www.iiste.org/Journals/index.php/RJFA/article/view/19978
2	Regional Performance Allowances Instrument Improving Performance of Government Employees	Volume 7, Issue 4, April 2019	International Journal of Economics, Commerce and Management (IJECM), United Kingdom	OJS	http://ijecm.co.uk/volume-vii-issue-4/
3	Integrated Career Pattern Hope of Bureaucration In The Future	Volume 8, Issue 05 May 2019	International Journal of Scientific & Technology Research (IJSTR)	Terindeks Scopus	http://www.ijstr.org/paper-references.php?ref=IJSTR-0419-20153
4	The Effect of Sectoral Economic On Employment Absorption and Poverty Level In The West Nusatenggara Province	Volume 9, Issue 01, Januari 2020	International Journal of Scientific & Technology Research (IJSTR)	Terindeks Scopus	http://www.ijstr.org/paper-references.php?ref=IJSTR-0120-27987
5	Recruitment of Prospective Civil Servants Towards World Class Bureaucracy In Indonesia	Volume 9, Issue 01 May 2020	International Journal of Scientific & Technology Research (IJSTR)	Terindeks Scopus	http://www.ijstr.org/paper-references.php?ref=IJSTR-1219-26368
6	Idea Formats for Selection Regional Heads in The Future as a Democracy setherment Requitment in Indonesia	Volume 10, Juni 2020	International Journal of Scientic and Research publication	OJS	http://www.ijsrp.org/research-paper-0620.php?rp=P10210090#citation
7	The Fiscal Capacity of The Autonomous Region (DOB) In Increasing Economic Growth and Eradication of The Poor	Volume 12, Nomor 1, Mei 2020	Jurnal Bina Praja Research and Development Agency Minister of Home Affairs Republic of Indonesia	Sinta 2	http://jurnal.kemendagri.go.id/index.php/jbp/article/view/681

8	Decentralization of Fiscall Asymmetric for Community Well Being: Evidence From Aceh Propince, Indonesia	Volume 12, Issue No 06, 2020	Journal of Advanced Research in Dynamical and Control Systems	Terindeks Scopus	https://www.jardcs.org/abstract.php?id=5933
9	Risk Management Solution in Local Government Financial Management	Volume 27 No 3 Tahun 2020	Ayer Journal	Scopus Q1	http://ayerjournal.com/index.php/ayer/article/view/116
10	Regional Government Management Control in The Implementation of Risk Governance	Volume 12 No 3 tahun 2020	Oceanide Jounal	Scopus Q3	http://oceanidenetne.net/indek.php/o/article/view/68
11	Performance Model of Auditors and Supervisors in the Inspectorates Government Indonesia	Volume 13 Issue 3 tahun 2020	Solid State Technology	Scopus Q4	http://www.scimagojr.com/journalsearch.php?q=2720&tip=sid&clean=0
12	Human Resource Development in Local Governments: Inscreased Transparency and Public Accountability	Volume 8 No 1 tahun 2021	Jurnal of Asian Finance, Economics and Business	Scopus Q2	www.koreascience.or.kr/article/JAKO202100569475376.view?orgId=kodisa
13	The Implementation of Performance-Based Budgeting Through A money Follow Program in Impressing Budget Corruption	Volume 21 No 2 tahun 2021	Jurnal Ilmiah Universitas Batanghari Jambi	Sinta 4	http://ji.unbari.ac.id/index.php/ilmiah/article/view/1576
14	Kepemimpinan dalam Peningkatan Kualitas Pelayanan Publik di Daerah	Volume 21 No 3 tahun 2021	Jurnal Ilmiah Universitas Batanghari Jambi	Sinta 4	http://ji.unbari.ac.id/index.php/ilmiah/article/view/1751
15	Leadership in the Quality Public Service Improvement	Volume 6 tahun 2021	Jurnal Linguistic and Culture Review	Scopus Q4	https://lingcure.org/index.php/journal/article/view/2027

16	The Sustainability of Papua and West Papua Special Autonomy Fund (SAF) in Assymmentric Decentralization	Volume 6 No. 4 tahun 2022	Journal of Pasifive School Psychology	Scopus Q2	http://www.journalppw.com/index.php/jpsp/article/view/6971
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Publikasi Prosiding yang Ditulis

No	Judul
1	<i>The effect of asset management to increase the local government financial reports</i> (2015, Universiti Selangor Malaysia).
2	<i>Fiscal reform (taxation) on local government and the new administrative duties</i> (2015, 1st APG/Asian Public government forum on local finance management – OECD/the Organization for Economic Co-operation and Development).

Publikasi Artikel Nasional

No	Judul
1	<i>Strategi Pemda meraih opini WTP</i> , Majalah Triwulanan Edisi Khusus HUT ke 30 Warta Pengawasan BPKP, Maret 2014
2	<i>Reformasi Fiskal (Perpajakan) Pada Pemerintah Daerah Dan Tugas Administrasi Yang Baru</i> , Jurnal Ekonomi dan Keuangan Publik, IPDN, Juni 2015
3	<i>Mewujudkan Tujuan Desentralisasi</i> , Media online Amunisi News. http://amunisinews.com . Oktober 2017
4	<i>Dari Buku hingga Asas Desentralisasi</i> , Media online Amunisi News. http://amunisinews.com . Oktober 2017
5	<i>Konseptor Administrasi Pemerintah Daerah</i> , Media online Harnas News. http://harnasnews.com . Oktober 2017
6	<i>Menilik Problematika Pengelolaan Keuangan Daerah Dan Desa, deteksi online</i> , http://deteksionline.com , November 2017.

No	Judul
7	Aset Daerah Harus Cermat dalam Pengelolaan, Fakta Hukum. http://www.faktahukum.co.id/dadang-suwanda-aset-daerah-harus-cermat-dalam-pengelolaan/ November 2017
8	<i>Problematika Pengelolaan Keuangan Daerah Dan Desa</i> , Media online Harnas News. http://harnasnews.com . Desember 2017
9	<i>Lampu Kuning Keuangan Pemerintah Daerah</i> , Opini koran Tempo 8 Februari 2021. https://koran.tempo.co/read/462159/lampu-kuning-keuangan-pemerintahan-daerah

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