

THE EFFECTIVENESS OF IMPLEMENTATION RESPONSIBILITIES FOR  
LOCAL GOVERNMENT BUDGET REGENCY/CITY  
IN THE NORTH MALUKU PROVINCE

NASER SANGDJI, NAM RUMKEL, ABDUL AZIZ HAKIM  
Postgraduate Program, Khairun University, Ternate  
Email: namrumkel@gmail.com

Received 20 July 2019 • Revised 4 Oct 2019 • Accepted 7 Nov 2019

**Abstract**

The purpose of this study was to analyze the effectiveness of implementation responsibilities for Local Government Budget regency/budget in the North Maluku Province, and the obstacles factor in its responsibilities. The type of research used is empirical normative legal research (applied) to examine the factual implementation or implementation of each particular legal event. The study aims to ascertain whether the results of the application are in accordance with the provisions of the Statutory Regulations. This empirical normative law research consists of 2 stages. Phase I study of normative law (legislation) Phase II study of empirical law in the form of implementation of the legal event. This study uses primary data and secondary data collected through interviews and observations. The collected data is then analyzed qualitatively. The results showed that the Mechanism of Responsibility for the Implementation of the Regency/City Regional Revenue and Expenditure Budget in the Government of North Maluku Province has fulfilled its obligations in preparing financial reports as regulated in Articles 294 and 295 of the Regulations. Minister of Home Affairs No. 13 Year 2007 concerning guidelines for managing Regional Finances. In this case the Regency/City in the North Maluku Provincial Government has implemented a digital-based accountability system that is in accordance with government accounting standards including SIMDA (Regional Financial Management Information System) E-Monev (Electronic Monitoring Evaluation) and Simolek (Electronic Financial Monitoring System). However, in its implementation there is often a delay in inputting overall accountability data, this is due to the slow collection of reports from each field, which occurs because of the non-functioning mechanism of the roles and duties of each employee. While the inhibiting factor is the delay in the accountability report from each field, it is not carried out in accordance with their respective tasks and functions, the lack of mental integrity and moral responsibility of employees, and the Regency/City Government does not submit Local Regulations and Regional Regulations after being evaluated by the Governor.

Keywords: effectiveness, implementation, local government budget, responsibilities.

**INTRODUCTION**

Local Government in the administration of government has autonomy based on principles, systems, objectives and legal basis. In essence the granting of regional autonomy is intended to manifest the desire of the region to regulate and actualize the full potential of the region to the maximum, so as to improve the welfare of the people in the area. S.L.S Danuredjo gives the meaning of autonomy as *zelfwetgeving*. While Saleh Sharif gives the meaning of regulating or governing himself.

Basically, the meaning of this autonomy is not just the dispersal of the administration of government to achieve efficiency and effectiveness of government, but autonomy is interpreted as a constitutional order (*staatrechtelijk*), and not just an order of state

administration (*administratiefrechtelijk*). As a constitutional record, autonomy is related to the basics of the state and the organizational structure of the state. In addition, autonomy is also defined as freedom and independence (*vrijheid dan zelfstandigheid*) lower government units to regulate and manage some government affairs.

Government reforms that have taken place in Indonesia have resulted in a paradigm shift in governance from a centralized paradigm towards real decentralization, which is characterized by granting greater and real autonomy to the regions. This gift is intended specifically to be more independent of the region and empowering the community (empowering).

With the enactment of Law of the Republic of Indonesia Number 22 Year 1999 concerning Regional Government and Law of the Republic of Indonesia Number 25 Year 1999 concerning Financial Balance between Central and Regional Governments beginning January 1, 2001, the Minister of Home Affairs and Regional Autonomy provides guidelines that can be guided in the preparation and implementation of Local Government Budget (APBD). Therefore, the thing that must be done carefully is in the management of regional finances. Along with the enactment of Law of the Republic of Indonesia No. 23 Year 2014 concerning amendments to Law of the Republic of Indonesia No. 32 Year 2004 which was later revised to become Law No. 9 of 2015 concerning Regional Government which results in a change of authority between the central and regional governments so that in this case the government must be able to play its role efficiently, effectively, transparently and accountably. Each agency plays an important role in developing its region in a more advanced direction.

Furthermore, Hoessein said, that although there are laws (Acts) of the Regional Government but if other sectors in the government and public administration systems have not changed, the Government and Public Administration systems in the regions certainly will not be able to function in accordance with the expectations of the community. This situation is caused by several factors including a bureaucratic approach that emphasizes the regulation of all activities based on rules and regulations (rules driven). The measure of success of a government agency is measured by compliance with all procedures and regulations that apply even though it is no longer in accordance with field conditions and the real needs of the community that must be served. There is no comprehensive evaluation system for development programs and community services, so that the success rate of the program cannot be determined according to the achievement of its mission and objectives.

Azhar Kasim considers that officials often attach great importance to formalities in meeting applicable procedures and requirements, but in practice they tolerate deviations from the relevant procedures and requirements. Such practices lead to high service costs and irregularities in the implementation of various applicable laws and regulations.

To realize good regional autonomy, human resources with integrity are needed, so that the authority delegated from the center to the regions does not result in individuals who commit corruption, collusion and nepotism. In this case, the provincial or district or city regional government has been given the authority to carry out its duties as well as possible. One important factor in developing regions is the existence of adequate regional budget. Local budget is the work plan of the regional government in the form of money (rupiah) in a certain period (one year). The Regional Budget or APBD is the main policy instrument for the Regional Government.

As a policy instrument, the Regional Budget occupies a central position in efforts to develop the capability and effectiveness of the Regional Government. The Regional Budget is used as a tool for determining the amount of income and expenditure, helping decision making and development planning, authorizing future expenditures, a source of developing standard measures for performance evaluation, a tool to motivate employees, and a coordination tool for

all activities of various work units. The budget preparation and implementation process should focus on efforts to support the implementation of activities or programs that are the priorities and preferences of the region concerned.

The structure of accountability for the implementation of APBD, hereinafter abbreviated PPA according to Minister of Home Affairs Regulation Number 13 Year 2006 concerning Guidelines for Regional Financial Management as amended lastly by Minister of Home Affairs Regulation Number 21 Year 2011, begins with a realization report of the first semester of APBD accompanied by a prognosis for the next 6 (six) months and subsequently the report annual or LKPD (Regional Government Financial Report) as stipulated in CHAPTER XII PPA. Unlike Government Regulation of the Republic of Indonesia No. 58 Year 2005 on Regional Financial Management, the structure of the PPA begins with the LKPD as regulated in Chapter IX of the PPA. Whereas Law Number 17 Year 2003 concerning State Finance and Law of the Republic of Indonesia Number 23 Year 2014 concerning Regional Governments as amended most recently by Law of the Republic of Indonesia Number 9 Year 2015, the structure of the PPA is directly on the submission of the Regional Regulation on PPA. In connection with this, in reality the implementation, in particular the implementation of APBD accountability in Regencies/Cities in North Maluku Province is effectively not implemented properly.

North Maluku Province (Governor) provides an assessment of the draft regional regulation on the accountability of the implementation of the Regency/City APBD and the draft regional head regulation on the elaboration of the accountability of the implementation of the Regency/City APBD so that the regional regulations and regulations of the regional head determined do not conflict with the public interest and legislation higher invitation. In addition, it recommends policies and steps to improve regional financial management in the context of fostering and supervising local government, so that local government goals are achieved in managing sources and uses of funds effectively, efficiently, economically, transparently and accountably.

One important aspect of managing state/regional finances is the effectiveness of the oversight function over the management of state/regional finances, which is carried out both internally and externally. The effectiveness of the supervisory function becomes important in order to achieve good financial governance. The weak oversight function of the management of state/regional finances can have fatal consequences (leakage, burglary, robbery) of state/regional finances which bring harm to the people as the owners of state/regional finances.

Problems with the effectiveness of the supervision of state/regional financial management at present are: (1) ineffective implementation of the oversight function of state/regional financial management carried out by officials, both legislative and executive; (2) officials who carry out the oversight function of the management of state/regional finances participate in collusion damage to the oversight function (enjoy the results of burglary, robbery of state/regional money), so that management of state/regional finances is not controlled.

The Government of North Maluku Province, especially in Regencies/Cities that hold the power, is obliged to take appropriate policies and be responsible for the authority that has been given to fulfill the principles of good governance in order to realize the welfare of the community. the government as the executor of the state must have the mandate to manage all forms of public services. As for the government that does not comply with these principles, it means that the government must be responsible for its actions. With such a government, good governance cannot be achieved. Based on the explanation, the problem that will be discussed in this research is how is the effectiveness of implementation responsibilities for Local Government Budget regency/budget in the North Maluku Province? and what are the obstacles factor in its responsibilities?

## RESEARCH METHOD

The type of research used is empirical normative legal research (applied) to examine the factual implementation or implementation of each particular legal event. The study aims to ascertain whether the results of the application are in accordance with the provisions of the Statutory Regulations. This empirical normative law research consists of 2 stages. Phase I study of normative law (legislation) Phase II study of empirical law in the form of implementation of the legal event. This study uses primary data and secondary data collected through interviews and observations. The collected data is then analyzed qualitatively.

## RESULTS AND DISCUSSION

### Accountability for Local Government Budget Implementation

The system of accountability for APBD implementation is regulated in Government Regulation No. 58 Year 2005 which is elaborated in more detail in Minister of Home Affairs Regulation No. 13 Year 2006 as amended by Minister of Home Affairs Regulation No. 59 and Minister of Home Affairs Regulation No. 21 By referring to the Minister of Home Affairs Regulation, the regional government prepares mechanisms and procedures for accountability for APBD implementation. determined by the Regulations/Decrees of the relevant Regional Head.

Broadly speaking, the mechanisms and procedures for the accountability of APBD implementation include: (a) First Semester Realization Report of Revenue and Expenditures Budget (b) Annual Report; (b) Establishment of the Draft Regional Regulation on Accountability for Implementing the Regional Budget Evaluation of the Draft Regional Regulation on Accountability for Implementing the Regional Budget and Regulation of the Regional Head concerning the Translation of Accountability for Implementation of the Regional Budget.

APBD First Semester Realization Report. The Head of the SKPD prepares the realization report of the first semester of the SKPD revenue and expenditure budget as a result of implementing the budget for which he is responsible. The report is accompanied by a prognosis for the next 6 (six) months. Reports are prepared by PPK-SKPD and submitted to budget user officials to be determined as reports on the realization of the first semester of the SKPD revenue and expenditure budget and prognosis for the next 6 (six) months no later than 7 (seven) working days after the first semester of the fiscal year concerning the end.

The budget user official submits the report to PPKD as a basis for preparing the APBD first semester realization report no later than 10 (ten) working days after the first semester of the fiscal year regarding the end. Furthermore, PPKD compiles the APBD first semester realization report by combining all realization reports of the first semester of the SKPD revenue and expenditure budget no later than the second week of July and submitted to the regional secretary.

APBD's first semester realization report and prognosis for the next 6 (six) months shall be submitted to the regional head no later than the third week of July of the fiscal year regarding to be stipulated as APBD's first semester realization report and prognosis for the next 6 (six) months. Then the APBD's first semester realization report and prognosis for the next 6 (six) months is submitted to the DPRD no later than the end of the month.

The annual report on the realization of the balance sheet budget report PPK-SKPD cash flow report prepares the SKPD financial report of the fiscal year regarding and submitted to the head of the SKPD to be determined as the accountability report on the implementation of the SKPD budget. The financial statements are submitted to PPKD as a basis for the preparation

of local government financial reports. SKPD financial reports are submitted to regional heads through PPKD no later than 2 (two) months after the fiscal year ends. The financial statements are prepared by officials using the budget as a result of the implementation of the budget in the SKPD that is their responsibility. The annual report consists of: budget realization report balance sheet cash flow statement notes to the financial statements. The final stage of the accountability process for implementing the APBD is to submit the annual report to the Supreme Audit Board.

The SKPD financial report is accompanied by a statement from the head of the SKPD that the management of the APBD that is its responsibility has been carried out based on an adequate internal control system and government accounting standards in accordance with statutory regulations. PPKD compiles local government financial reports by combining SKPD financial reports no later than 3 (three) months after the end of the fiscal year in question. The regional government financial reports are submitted to the regional head through the regional secretary in order to fulfill the accountability of the APBD implementation.

Determination of the Draft Regional Regulation on the Implementation of APBDR The Regional Regulation on the implementation of the Regional Budget is prepared by the Regional Government Budget Team (TAPD) under the coordinator of the Regional Secretary. The mechanism for the discussion of the draft regulation is just like the mechanism for the formation of regional regulations concerning APBD, APBD Amendments or other regional regulations. Beginning with the Explanation of the Regional Head, General Views of the Council Faction, Governor's Response to the General View of the Council Faction, Joint Commission Meeting which was followed by the formation of the Special Committee for finalization, and ended with the Special Committee Report, Final Opinion of the Council Faction then Decision Making.

The regional head submits the draft regional regulation regarding the accountability of the APBD implementation to the DPRD no later than 6 (six) months after the fiscal year ends. The draft regional regulation on the accountability for implementing the APBD includes financial reports that include reports on budget realization, balance sheets, cash flow reports, notes on financial reports, and attached with performance reports that have been audited by the BPK and an overview of financial statements of regionally owned enterprises / regional companies. Joint agreement on the draft regional regulation regarding the accountability of the APBD implementation by the DPRD no later than 1 (one) month as of the receipt of the draft regional regulation.

Evaluation of Draft Regional Regulation on Accountability of APBD Implementation and Regional Head Regulation on the Translation of Accountability for APBD Implementation. The draft provincial regional regulation regarding the accountability of APBD implementation that has been agreed with the DPRD and the draft governor regulation regarding the elaboration of the accountability of APBD implementation before it is determined by the governor no later than 3 (three) working days is first submitted to the Minister for evaluation. The evaluation results are submitted by the Minister of Home Affairs to the Governor no later than 15 (fifteen) working days from the receipt of the intended design.

If the Minister of Home Affairs states that the results of the evaluation of the draft regional regulation regarding the accountability of APBD implementation and the draft governor's regulation regarding the elaboration of the accountability of APBD implementation are in accordance with the public interest and higher legislation, the governor sets the draft regional regulation and the governor's draft regulation becomes regional regulation and governor's regulations.

The Regional Budget (APBD) is a part of regional financial management. Therefore, accountability for the implementation of APBD must also be interpreted as part of regional

financial management as well as being part of the budget process. Thus, the accountability of APBD implementation is a form of obligation of regional governments to carry out regional financial management in an orderly, obedient to the laws and regulations, efficient, economical, selective, and transparent, with due regard for a sense of justice and compliance.

Accountability for the Implementation of Regency/City Local Government Budget in the Government of North Maluku Province has fulfilled its obligations in preparing financial reports as regulated in Articles 294 and 295 of Minister of Home Affairs Regulation No. 13 Year 2007 concerning guidelines for managing Regional Finances.

The Implementation of the Regency/City Regional Spending Budget in the North Maluku Provincial Government in making budget accountability has sought to carry out its functions in accordance with applicable regulations. Based on the results of an interview with Agung Sri Sadono (Head of the North Maluku Province BPKPAD Budget Section) explained that since the end of December 2018 the system of accountability has been implemented, through 16 applications of E-Government, but we are still using 9 applications, including SIMDA (Management Information System Regional Finance) which is in digital form, E-Monev Application (Electronic Monitoring Evaluation), Simolek Application (Electronic Financial Monitoring System) and others "

The accountability system has a basic concept that has clear standards and regulations, both in terms of financial reporting, auditing, and the use of financial statements. Based on Government Regulation Number 71 of 2010 concerning government accounting standards. Government accounting standards are a systematic set of procedures, operations, equipment, and other elements to realize the accounting function from transaction analysis to financial reporting within the scope of government organizations. Accountability under these Government Regulations must be actual, meaning receipts and expenses are recognized or recorded when transactions occur, not when cash for those transactions is received or paid. The implementation of the Regency/City Regional Expenditure Budget in the Government of the Province of North Maluku in conducting accountability in accordance with the government regulation, has made full effort to be able to adjust to the accrual system of accountability. Then the researcher was given an explanation again by Muhammad Iqbal (Head of Accounting and Reporting BPKAD Tidore Islands City), that we have implemented an accrual-based system by making a system called SAIBA or Actual Based Accounting System, but we are still constrained by the quality of existing Human Resources, they should later be given training to operate the system, coupled with the readiness of tools such as internet connection support that is not yet good enough, it affects the maximum results obtained as well.

The Liability System in the Regency/City in the North Maluku Province Government has run well, although there are still some obstacles in its implementation. Based on the results of the interview, the researcher found the fact that the obstacle faced in the Regency / City area in the Maluku Provincial Government was the delay in the accountability report from each field that impacted on the delay of the input and overall report completion.

#### **Obstacles to Accountability from Local Government Budget**

The things that hinder the accountability of the implementation of the Regency/City APBD in the Government of North Maluku Province in compiling the budgetary accountability, especially in the form of the Budget Realization Report (LRA) submitted by Maryam M. Marsaoly (Head of Sub-Division of Verification of BPKAD Ternate City), are as follows:

- a. Preparation of LKPJ/Report after the completion of activities by PPTK always experiences delays.

- b. b. Not functioning mechanism of the function and role of each official, for example the verification team is not accurate in data verification, making it difficult for operators to input in the application.
- c. c. Mental integrity and moral responsibility of employees, for example, not entering the office quickly, leaving early, work piled up on certain people or unevenly, and structuring office space that does not meet SPM (Minimum Service Standards).

Then the researcher was again given an explanation by Dody Irawan (Head of Revenue and Financing Accounting of BPKAD in South Halmahera Regency) that another thing that was an obstacle or inhibiting factor in managing the budget was because the apparatus placement was not in accordance with scientific discipline, in the ASN placement area it was still based on like and dislike so that it is not appropriate to place the right man on the right place, and the efforts made to improve the quality of human resources in each regency/city in North Maluku to support the acceleration, effectiveness and efficiency of the vision and mission is to include several participants for training.

## **CONCLUSION**

The Mechanism of Responsibility for the Implementation of the Regency/City Regional Revenue and Expenditure Budget in the Government of North Maluku Province has fulfilled its obligations in preparing financial reports as regulated in Articles 294 and 295 of the Regulations. Minister of Home Affairs No. 13 Year 2007 concerning guidelines for managing Regional Finances. In this case the Regency/City in the North Maluku Provincial Government has implemented a digital-based accountability system that is in accordance with government accounting standards including SIMDA (Regional Financial Management Information System) E-Monev (Electronic Monitoring Evaluation) and Simolek (Electronic Financial Monitoring System). However, in its implementation there is often a delay in inputting overall accountability data, this is due to the slow collection of reports from each field, which occurs because of the non-functioning mechanism of the roles and duties of each employee. While the inhibiting factor is the delay in the accountability report from each field, it is not carried out in accordance with their respective tasks and functions, the lack of mental integrity and moral responsibility of employees, and the Regency/City Government does not submit Local Regulations and Regional Regulations after being evaluated by the Governor.

## **REFERENCES**

- Achmad Ali. 2009. *Menguak Teori Hukum (Legal Theory) dan Teori Peradilan (Judicialprudence) Termasuk Interpretasi Undang-Undang (Legisprudence)*. Jakarta. Penerbit Kencana.
- Andi Hamzah, *Kamus Hukum*, Ghalia Indonesia, 2005.
- Alfin Sulaiman, *Keuangan Negara pada BUMN dalam Perspektif Ilmu Hukum*, PT. Alumni, Bandung, 2011.
- Arifin P. Soeria Atmadja, *Mekanisme Pertanggungjawaban Keuangan Negara*, PT. Gramedia, Jakarta, 1986.
- Agung Kurniawan, *Transformasi Pelayanan Publik*, Yogyakarta, Pembaruan, 2005.
- Azhar Kasim, *Reformasi Administrasi Negara*, *Jurnal Bisnis dan Birokrasi*, 1998.
- Bagir Manan, *Menyongsong Fajar Otonomi Daerah*, Yogyakarta, Pusat Studi Hukum UII, 2005.
- Beni Pekei, *Konsep dan Analisis Efektivitas Pengelolaan Keuangan Daerah di Era Otonomi*, Jakarta, 2006.
- Bambang Istianto, *Manajemen Pemerintahan Dalam Perspektif Pelayanan Publik*, Edisi II, Jakarta, Mitra Wacana Media, 2011.

- Djaka, Kamus Lengkap Bahasa Indonesia Masa Kini, Surakarta, Pustaka Mandiri, 2011.
- HAW Wijaya, Otonomi Daerah dan Daerah Otonomi, Edisi I-VII, Cet. VII; Jakarta: Rajawali Pers, 2014.
- Hoessein Benyamin dalam Bambang Istianto, “Transparansi Pemerintahan, Mencari Format dan Konsep Transparansi dalam praktik Penyelenggaraan Pemerintahan Yang Baik”, Forum Inovasi, Edisi November, 2001.
- Harbani Pasolong, Teori Administrasi Publik, Bandung, Alfabeta, 2007.
- Helen Aprilia Maniagasi Dkk, Jurnal Kajian Ekonomi dan Keuangan Daerah, Faktor-Faktor yang Menyebabkan Keterlambatan Penyusunan Anggaran Pendapatan dan Belanja Daerah. 2000.
- Hendra Karianga, Politik Hukum dalam Pengelolaan Keuangan Daerah, edisi pertama tahun 2013.
- Hendra Karianga, Carut Marut Pengelolaan Keuangan Daerah di Era Otonomi Daerah, Prespektif Hukum dan Politik, edisi pertama tahun 2017.
- Josef Mario Monteiro, Pemahaman Dasar Hukum Pemerintahan Daerah, Yogyakarta, Pustaka Yustisia, 2016.
- Mahmudi, Manajemen Kinerja Sektor Publik, Yogyakarta, Akademi Manajemen Perusahaan YKPN, 2005.
- Martani dan Lubis, Teori Organisasi, Bandung: Ghalia Indonesia, 1987.
- Mardiasmo, Otonomi dan Manajemen Keuangan Daerah, Yogyakarta: Andi, 2002.
- S.L.S. Danuredjo, Otonomi di Indonesia dalam Rangka Kedaulatan, Jakarta, Alras, 1967.
- Saleh Syarif, Otonomi dan Daerah Otonom, Jakarta, Endang, 1953.