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ANALYSIS OF POLICY OF PLANNING AND BUDGETING MAKING LOCAL GOVERNMENT PLANNING POLICY MORE SIGNIFICANT IN INDONESIA

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Abstract

One of the positive value of the implementation of regional autonomy is the local government has the authority to plan and budget for development in its area. The flexibility in preparing documents for planning and budgeting that is held by local government does not significantly affect the regional development planning process to be effective. Long process of drafting the document planning and budgeting requires the synchronization of programs and activities of the various documents produced. Analysis to the documents of planning and budgeting in South Solok provide evidence that the programs and activities of development in the region are still not in sync between one policy with other policies, ranging from the planning document (RKPD) to the budgeting document (KUA-PPAS and APBD). Some programs and activities appear suddenly in the budget documents, while the programs and activities does not exist in the planning documents, and vice versa. Besides inconsistencies of programs and activities in the planning and budgeting documents, there are also a number of problems in these documents, such as the quality of the activities are still low and the activity target that are not measurable. The condition will be worse because of political interference which occurs during the process of drafting, both derived from the chief executive and the legislature. For the future, to make the development planning be better, the local government must restructure the organizational structure, the mechanism of action, and coordination in planning agencies. Job description in the division systems of Planning Agencies is often implemented to be a rigid planning. As a result, there is fragmentation, divisions, and selfishness in divisions at planning agencies when they draft planning and budgeting documents. This condition is certainly not very conducive to planning process. Because, however, planning and budgeting process is a work that needs integrative, comprehensive, and holistic.

Keywords: synchronization, planning, budgeting, local government, planning agency.

1. INTRODUCTION

Planning and budgeting process is a step that must be implemented in the use of state funds both from the state budget, provincial budget, reGENCY/ municipality budget. Within the scope of the reGENCY/ municipality, Local Development Planning Board or can be abbreviated Planning Board (Bappeda) has a strategic role in the implementation process of planning and budgeting in its area. The success of local government in achieving the vision and mission is largely determined by the ability of The Planning Board in dealing with both of these processes. Local planning documents can be categorized into two forms: 1). Document of local development planning, such as long term local development planning, and medium term local development planning, and work plan of local government. These documents contain the vision, mission, goals, policies,

strategies, programs and, activities; and 2). Document of local financial planning, such as Budget Policy and Platform of Temporary Priority Budget, and Budget Document.

Implementation of planning and budgeting documents is a routine activity undertaken by the Planning Board each year as a translation of the medium and long term planning documents. Every year, each local government must prepare some documents, Work Plan of Local Government or *Rencana Kerja Pemerintah Daerah* (RKPD), Budget Policy and Platform of Temporary Priority Budget or *Kebijakan Umum Anggaran dan Plafon Prioritas Anggaran Sementara* (KUA-PPAS), and Budget of Local Income and Expenditure or *Anggaran Pendapatan dan Belanja Daerah* (APBD). This writing try analyzing the planning and budgeting documents in Solok Selatan Regency in 2011-2013, so that it can be seen how big a role of the Planning Board to keep programs and activities that are planned to be funded in the budget document that can be implemented in the Fiscal Year.



Figure 1. Linkages of planning and budgeting documents

2. PROCESS OF PLANNING AND BUDGETING IN SOLOK SELATAN REGENCY

The series of preparation process of planning and budgeting documents has been regulated by the central government with a series of laws and regulations. Each stage has been set form of a report, the process of preparation of documents, and also schedule completion of the process, with the hope of all documents must be completed before the coming fiscal year. But in the budget management system, the activities and administration of local government finance is also often less accurate in determining the budget allocated to an activity (Adisasmita, 2011, p.2011).

For 2011 and 2012, the preparation of planning documents was so late that impact on the delay in setting the budget documents or APBD. In 2013 there was progress in the preparation of planning documents, but late in setting the budget document. At the very least, the preparation of planning documents that are fully domain of the Planning Board was already performed well. The delay in the determination of budget document of Solok Selatan Regency in 2013 was also due to other factor namely the conflict between Government of Solok Selatan and Parliament of Solok Selatan. The conflict made two versions of budget documents of Solok Selatan Regency (Singgalang, 2013).

Table 1. Stages of Preparation of Planning and Budgeting Documents

| document | rule of law | | completion of document in Solok Selatan Regency for the fiscal year | | |
|------------|---|-------------------------------------|---|------------|------------|
| | pattern of the legality of document | deadline for completion of document | 2011 | 2012 | 2013 |
| - RKPD | Regent Regulation | 4-th week in May | 12/26/2010 | 09/15/2011 | 06/12/2012 |
| - KUA PPAS | Memorandum of Understanding between the Local Government and Parliament | 4-th week in July | 01/05/2011 | 01/05/2012 | 09/13/2012 |
| - APBD | Local Government Regulation | no later than November 30 | 03/16/2011 | 03/07/2012 | 02/01/2013 |

Source: Adapted from various sources of Performance Reports of Government Solok Selatan

3. SYNCHRONIZATION OF PLANNING AND BUDGET DOCUMENTS

Programs and activities funded in the budget document should have started from the document RKPd. Programs and activities in the planning document (RKPd) will be discussed related to funding. The planning board must guard all programs and activities always exist in the budgeting documents both PPAS and APBD (Permendagri 54/2010). During the years 2011-2013, there were six cases of non synchronization forms of planning and budgeting documents, namely:

- Programs and activities only appear in the document of RKPd.
- Programs and activities only appear in the document of PPAS.
- Programs and activities only appear in the budget document APBD.
- Programs and activities only appears in a document RKPd and PPAS.
- Programs and activities only appears in a document RKPd and APBD.
- Programs and activities only appears in a document PPAS and APBD.

The six cases show form of irregularities in the preparation of planning and budgeting documents. Logically, a process of an activity must begin listed in RKPd, then agreed in the document PPAS, and funded in the budget document. The appearance of the activities in the budget documents without ever set in the planning documents indicate that these activities are not born of a planning process. The number of programs and activities that are not in sync in planning and budgeting documents can be seen in Table 2.

Table 2. The number of non synchronous programs and activities in planning and budgeting documents year 2011-2013

| Type of case | Total Program (P)* and activity (A)** are not synchronous in year | | | | | |
|--------------------------------|---|--------------|-----------|------------|-----------|------------|
| | 2011 | | 2012 | | 2013 | |
| | P | A | P | A | P | A |
| - Only appear in RKPd | 54 | 604 | 39 | 417 | 27 | 342 |
| - Only appear in PPAS | 0 | 2 | 0 | 2 | 11 | 102 |
| - Only appear in APBD | 1 | 3 | 1 | 11 | 29 | 198 |
| - Only appear in RKPd and PPAS | 0 | 0 | 0 | 3 | 24 | 176 |
| - Only appear in RKPd and APBD | 0 | 1 | 0 | 0 | 0 | 22 |
| - Only appear in PPAS and APBD | 83 | 558 | 29 | 290 | 6 | 132 |
| Total | 138 | 1.168 | 69 | 723 | 97 | 972 |

Source: Adapted from Rozidateno Putri Hanida research reports (Hanida, 2013)

Notes: * Programs included in this summary is a program that all its activities included in the classification.

** Activities that are included in this summary are all activities included in the classification.

There are two forms of prominent cases in the year 2011. The first is the number of activities that only appear in the document RKPd then lost not followed in subsequent documents. The second case is the programs and activities that appear only in the PPAS and APBD documents, and not found in the document RKPd. The same trend occurred in 2012. In this case, the document RKPd was not become a reference in the preparation of documents further. And a big mistake is the determination of PPAS document very late, which should be established in July, but could only be set in January next year.

Another that occurred in 2013. The six types of cases were discovered. But if we seen from the

determination of PPAS was much better than previous years. PPAS in 2013 could be set in September 2012, four months ahead of the previous year.

This condition occurred not only for the internal factors in the scope the planning board as planners, but also for strongly influenced by external factors. As a planner coordinator, the planning board should facilitate the synchronization process of proposed program and activity from all boards in the local government (Hanida, 2010). When the discussion of programs and activities in the document PPAS, involvement and intervention of the legislature and the Regent very pronounced, where boards in the local government are given program or new activity that never appear in the documents RKDP, so new program or activity come in the budget document or APBD. This condition can not be called as weak role of the planning board, because Regent involvement is very high when the budget discussion. Regent's involvement can be found in the form of intervention to the boards in the local government. The basic program and activity that are actually composed by all boards in the local government that is written in RKPD document can be lost when the discussion of budget. This is caused by high intervention from Regent and legislative. This is why programs that suddenly appeared in the budget document is very high.

4. TARGET OF ACTIVITY

Not only the programs and activities that are not consistent, the quality of the proposed activity is also still lacking. One indication that show the proposed activities is not good can be seen from the target of activities that are not measurable. There are many cases where the activity target is written only 100 percent. The target of 100 percent is not going to provide a strong foundation for the planning board and related local government boards in maintaining the existence of these activities, especially in discussions with the parliament. The target should be able to give an idea that these activities can be implemented with a maximum amount of budgeted funds.

Table 3. Target of activity in the planning document year 2011-2013

| Year | Activity target in document RKPD and PPAS | | |
|------|---|-----|----------------|
| | Measurable | % | Not Measurable |
| 2011 | 421 | 651 | 24 |
| 2012 | 561 | 671 | 32 |
| 2013 | 1.083 | 221 | 14 |

Source: Adapted from Rozidateno Putri Hanida research reports

Table 3 shows that the role of the planning board in coordinating the preparation of programs and activities in the planning documents shows a fairly good trend from year to year. Next years, the planning board need to be more selective in determining the target activity. Target must be set measurable and synchron with the platform of the funds provided. Funds provided should be able to fund these activities in achieving the set targets, so the opportunity to cut the allocation of funds activities can be avoided.

Each proposed program and activity in the document RKPD and KUA-PPAS should be determined explicitly on the output. Target or output will be a performance on any programs and activities organized by each Boards in local government. According to Ihyaul Ulum, it is more difficult to measure output for social services, such as security, education, and health. Efforts that can be done to make programs and activities in the planning documents have a measurable target can be seen from value for money (Ulum, 20014, p.273). At the same time, Legislature should increase its control function, where the legislature should be more serious in checking the target programs and activities in the discussion PPAS.

5. REPETITION OF PROGRAM AND ACTIVITY

In accordance with the functions possessed by the planning board which hold an important role in compiling and synchronize all programs and activities that have been prepared by the boards of local government. it will be easier for the planning board to control the programs and activities. They will be effective to make programs and activities without any clear analysis. Repetition of programs and activities and target of activity actually can be a data base and tools for the planning board in determining the maximum amount of funds (especially for repetition activities). At the same time, the planning board can decide whether these activities

need to be repeated or not.

Table 4. Number of Repetition Activity on Documents Year 2012-2013

| Year | Activity | | |
|------|------------|----------------|-------|
| | Repetition | Not Repetition | Total |
| 2011 | - | - | 1.135 |
| 2012 | 926 | 331 | 1.249 |
| 2013 | 871 | 385 | 1.255 |

Source: Adapted from Rozidateno Putri Hanida research reports

Note: Repetitiveness of activities refer to activities in 2011

6. INTERNAL AND EXTERNAL COORDINATION FUNCTION OF THE PLANNING BOARD IN THE PREPARATION OF PLANNING DOCUMENTS AND BUDGETING

When explored further, there are several root causes of the problem of weak coordination. In this case, the coordination problem is analyzed into the problems of internal coordination and external coordination (Handoko, 2003). Internal coordination involves work coordination between departments in organization structure of the planning board, both horizontally (between sections) and vertically (between leaders and subordinates). On the other hand, external coordination covers all activities and coordination with other boards in the local government, the parties to become partners in local development planning (parliament, businesses, NGOs, and universities). In fact, the quality of internal coordination will affect the quality of external coordination, and vice versa. In the internal sphere of the planning board, weak coordination caused by:

- Unclear division of tasks (job division),
- The lack of clear standard operating procedures that regulate the internal working relationships among the sections of organization,
- No distribution of right person in each position (the right man in the right place), and
- Lack of commitment of staff because lack of leadership of the coordinator of local financial management (the Regency Secretary).

Furthermore, no distribution of right person in every position is caused by: (a) lack of competent human resources, and (b) the lack of human resources development policy and career path system. Human resource development policy is very political and has no clear standard. Therefore, this condition make the planning board of Solok Selatan Regency not able to run standard operating procedures that werw established in the Regulation of Minister of Home Affairs No. 54 of 2010 which had set the preparation of planning documents.

One thing that can not be denied that also provide considerable influence in the preparation of planning and budgeting documents is a political intervention from the leadership both executive and legislative. This factors is the external factor that are outside the system of the planning board as an element of planners, but they have significant influence on the function of coordinating the Planning Agency. Based on this study, this factor give dominant contribution to make the discrepancies between the planning document and budgeting document.

If we look at how the process of the birth of a budget document or APBD, then we can also see how far and where political intervention came and is performed. Before be a budget document or APBD, RKPd must be a reference for the Local Government Budget Team with the members such as the Regency Secretary, Local Financial Management Boar, and Planning Board in preparing KUA PPAS. KUA PPAS that was compiled is submitted to the Regent and subsequent Regent submit to Parliament to be discussed and agreed upon. Furthermore, KUA PPAS that has agreed be a guide in the preparation of the budget documents or APBD.

The intervention of the planning documents is already likely to occur during the preparation of KUA PPAS. At the time of the preparation of KUA PPAS can occur pull of interests each other, so many of the programs and activities in RKPd will lost. Similarly in the discussion of KUA-PPAS and APBD documents, it will be more to be found the addition-reduction of the program. Here also occur bargaining position of some

political interests involved. Therefore, the Planning Board in its capacity to represent Team Local Government Budget, since the beginning of the preparation must do intensive consultation with the Regent. At the same time, the planning board must observe and examine the thoughts of Parliament that are collected through recess.

In the end, we refer to the local development planning in Indonesia using some approaches. The first is a technocratic approach, where local development planning use methods and scientific framework to achieve the goals and objectives based on physical evidence, data and information that is accurate, and can be accounted for. The second approach, which the participatory development planning carried out the involvement of all stakeholders. The third approach is a political approach whereby development programs is offered by regent that is arranged in medium term local development planning design. And lastly, top-down and bottom-up approach which results in local development planning based on deliberation conducted from village, district, regency, provincial and national levels so as to create synchronization and synergy in achievement of the objectives of national and local development plans.

Solok Selatan Regency Planning Board as the sector leading in the planning area should improve coordination function by improving the quality of internal organization. The planning board must make and use tools that can be used to synergize and synchronize the programs and the activities between both planning and budgeting documents. With these tools, the proposed programs and activities mainly from boards in local government can be controlled and directed to be made based on the performance, so that the proposed programs and activities that are in planning and budgeting documents is a proposal that actually have solid foundation, inputs, outputs, and outcomes. With these conditions the planning board have a strong foundation in maintaining the programs and activities that have been proposed.

7. CONCLUSION

To establish synchronization of programs and activities in the preparation of planning and budgeting documents that is undertaken by the planning board, need to give special attention to the organizational structure at the local government level, especially in the planning board. Another aspect that requires structuring is the mechanism of action and coordination in the planning board, both internally and externally.

Recognized or recognized one of the weak points in the organizational structure of planning board of Solok Selatan Regency is the mechanism of action and coordination between sections in the planning board is not optimal. Sections in the organizational structure of the planning board of Solok Selatan Regency tend to work in accordance with their respective duties, without feeling the need to find a task or coordinate with other sections. Job descriptions are often interpreted and implemented in a rigidity and full bulkhead. As a result, there is fragmentation, divisions, and selfishness in the body of Planning Board. This condition is certainly not very conducive to job planning. Because, however, the work plan is a work that is integrative, comprehensive, and holistic.

To ensure relevance and consistency between planning and budgeting need to pay attention to the following:

- Programs and activities in RKPD document must be the main reference in the preparation of a subsequent documents, to avoid loss of programs and activities in the planning documents or the emergence of new programs and activities in the budget documents.
- Output or target for each activity in the planning process should be clear and measurable
- The planning board that have function as planning agencies must correct the more thoroughly programs and activities that appear repeatedly in every fiscal year.
- The planning board must improve the functioning of the internal and external coordination in guarding the program and activity that have been planned in the planning documents.
- The Parliament and the local government must understand that the escort and the consistency of the results of the priority planning activity are needed to make synchronization of planning and budgeting documents

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