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Author(s)


Corresponding Author

 M Saidi Rifki


 0000-0001-5284-7308

 saidirifky@gmail.com

 Ministry of Home Affairs of the Republic of Indonesia

 Frisca Natalia Hutabarat

 frisca212@gmail.com

 Domestic Policy Strategy Agency of the Ministry of Home Affairs of the Republic of Indonesia

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The Strategy of the Ministry of Home Affairs on the Low Realization of the Regional Government Budget

M Saidi Rifki, Frisca Natalia Hutabarat

Abstract: The Ministry of Home Affairs (MoHA), through the Directorate General of Regional Financial Management, created several strategies through several policies to accelerate regional spending. However, the strategies did not increase the realization of the Regional Budget (APBD). Therefore, this study aimed to analyze the strategy implemented by the Ministry of Home Affairs and why these strategies did not significantly impact the absorption of APBD. This study used a descriptive qualitative method with library research. The study found that one of the strategies, the Memorandum of Understanding between several ministries/agencies for early procurement, has not been effective in alleviating the doubts of regional governments. One possible solution is to ensure that early procurement by regional governments coincides with the preparation of RKA SKPD, as per Presidential Regulation No. 16 of 2018. MoHA should also promote the use of Evidence-Based Policy (EBP) in regional financial management and encourage the establishment of the Regional Financial Management Laboratory Unit (UPTLPKD). Finally, MoHA should prioritize the development of infrastructure that was delayed due to the COVID-19 pandemic in 2020 and 2021.

About the Author(s)

M Saidi Rifki was born in Sukabumi on April 17, 1991. Completed his studies at Sunan Kalijaga State Islamic University, Yogyakarta majoring in Communication and Broadcasting. Since 2016 he has worked at the Ministry of Home Affairs in charge of popular publications and scientific publications. He also wrote several scientific articles and often carried out direct research into the field.

Frisca Natalia Hutabarat was born in Jakarta on December, 1981. She completed her studies at Pertiwi School of Foreign Languages, Cililitan Jakarta. Since 2015, she has worked at the Domestic Policy Strategy Agency of the Ministry of Home Affairs of the Republic of Indonesia.

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regional practices could impede economic recovery and weaken the national economy once again. In the first quarter of 2022, Indonesia experienced significant growth, reaching 5.44% (Kurniawati, 2022). With high regional economic growth, regional governments are also promoting national economic recovery, particularly in the post-COVID-19 pandemic.

Nevertheless, the low realization of budgets appears to be a persistent phenomenon. Despite various efforts by the central government, including programs such as the Special Autonomy Fund, Regional Incentive Fund (DID), and Village Fund, to develop fiscal decentralization instruments for planning and budget implementation, the low budget realization has consistently been an issue, dating back to 2016, even before the COVID-19 pandemic (Lumanauw & Winosa, 2016).

The issue of low budget realization appears to be a persistent problem in Indonesia. In 2015, the World Bank classified Indonesia as a slow back-loaded country, meaning that there is typically low budget absorption at the beginning of the fiscal year that gradually increases towards the end of the year (Gusmartina et al., 2021, p. 1). However, this trend of budget absorption at the end of the fiscal year poses significant risks to the quality of work due to inadequate supervision and increases the likelihood of fraudulent activity. In other words, the accumulation of budget absorption towards the end of the fiscal year carries a high risk of corruption (Said, 2021).

Several factors contribute to low regional budget absorption, including inadequate human resource capacity, leading to delays in the procurement bidding process and administrative settlements. Another critical factor is the contractual arrangement for goods and services with third parties, whereby billing is often deferred until the completion of the project, resulting in significant cash positions. Additionally, the political situation of the region, arising from regional head elections, and the rigidity of budget changes requiring legislative approval are also crucial factors to consider (Masitoh, 2022a).

Aside from the Ministry of Finance, the Ministry of Home Affairs also has gathered data on the factors contributing to the slow absorption of regional budgets. These include delayed appointments of officials responsible for managing

regional finances, uncertain implementation of activities due to insufficient planning, and local officials' limited grasp of regulations and financial accountability reporting. These findings are consistent with those of various studies.

The purpose of this study is to analyze the Ministry of Home Affairs' strategy for expediting regional spending, to investigate why this strategy has thus far failed to accelerate regional budget absorption, and to pinpoint the underlying cause of poor regional budget absorption to prevent its recurrence in subsequent fiscal years. To date, there have been limited studies into the Ministry of Home Affairs' approach to mitigating the issue of low absorption of regional spending, particularly to the initial questions regarding the lack of significant impact and persistent recurrence of the Ministry's strategy. The majority of research on regional spending has instead focused on the reasons behind and consequences of poor absorption of regional budgets.

Nursahidin (2017), for example, identified various factors contributing to low absorption, such as inadequate planning concepts, weak communication between officials and the Regional Legislative Council during the approval process, excessive fear among officials regarding budget usage, and officials' low proficiency in the tender process. Similarly, Kennedy et al. (2020) and Heriberta et al. (2018) discovered similar issues, including insufficient budget planning and human resources, lack of organizational commitment, inefficient administrative processes, and suboptimal internal control systems within the government. Furthermore, Andriati (2019), has conducted another study concerning this matter.

II. Methods

This paper employed a descriptive qualitative methodology with a library research (Zed, 2008), wherein the author gathered information and research sources pertinent to a literature review based on library sources. The primary sources for this study consisted of the policies or strategies of the Ministry of Home Affairs concerning regional budget absorption issues and the government's policies to encourage the absorption of regional budgets in Indonesia, as well as relevant scientific articles like journal articles. Additionally, supplementary research

sources were online media such as YouTube and Zoom, as well as offline and online news sources from mainstream media. A variety of information was also obtained through online resources that facilitated the researcher's access to theoretical information data, which can be academically verified.

III. Results and Discussion

Based on the analysis conducted by MoHA, several factors were identified as the cause of the low absorption of the regional budget in 2022 (Mashabi, 2021). To address this issue, the Ministry of Home Affairs implemented various efforts and strategies to accelerate the absorption of the Regional Budget for Fiscal Year 2022 in provincial and district/city governments. Additionally, several measures were taken to address these issues.

A. Encourage the Early Appointment of Finance Management Officials

One recurring problem was the delayed appointment of regional financial management officials. Often, appointments were made in the new fiscal year, and these officials may change, sometimes more than once. The delay in the appointment of officials is common in the complex bureaucratic system in Indonesia (Howe, 2022, p. 5), as new officials must be appointed based on a decision letter from higher leaders. Officials appointed directly by leaders cannot automatically make decisions, and the appointment letter serves as the legal basis for the official's legitimacy and protection from administrative errors (Kusuma Negara et al., 2018, p. 82). Delays in appointing local financial management officials can result in the delayed implementation of SKPD activities, which, in turn, contribute to low budget absorption at the beginning of the fiscal year due to administrative regulations.

To address this issue, MoHA issued a letter from the Director General of Bina Keuda (No. 903/9232/keuda) dated December 16, 2021, providing guidance on the Preparation of the Implementation of the 2022 Regional Budget. The letter was addressed to the Governors/Regents/Mayors and urged them to appoint regional financial management officials before the start of the fiscal year. MoHA emphasized the importance

of appointing APBD Implementing Officials at each SKPD, including the Secretary of the Regional Secretariat as the coordinator of regional financial management, the Head of SKPKD, the Regional Financial Management Officials (PPKD), and the Head of the Regional Work Unit as the Budget User (PA).

In addition, the regional head must also appoint officials such as the Regional General Treasurer (BUD), Budget User Authority (KPA), Disbursement Treasurer, Receiving Treasurer, and Special Treasurer. The Ministry of Home Affairs has also requested the appointment of a Receiving Treasurer Assistant and a Disbursement Treasurer if the KPA delegated some of their authority.

Furthermore, the Ministry of Home Affairs encouraged the heads of SKPD to promptly appoint officials to implement the 2022 Budget in an SKPD, including Regional Financial Administration Officers of Regional Work Units (PPK-SKPD), PPK-SKPD Units, and Technical Implementation Officials (PPTK). The PA may delegate some of its authority to the KPA but not all of its authority. The delegation of authority must consider the size of the activity budget, sub-activities, location, and span of control.

The Ministry of Home Affairs stresses the importance of regional heads expediting their work. This is because frequent changes in officials in the regions cause delays in the issuance of assignment decrees, which is a problem. However, an even more significant issue is the replacement of financial management officials based on political connections rather than merit, resulting in a lack of recognition and self-actualization for the employees (Cahyadi et al., 2020, p. 50). Employee rotation in the regions has become highly politicized (Maulana, 2018, p. 2; Taengetan et al., 2015, p. 9), leading to the placement of individuals trusted by the regional head but lacking qualifications (Prayitno, 2011, p. 144), and showing the ineffectiveness of public policy implementation. Public policy theory states that government policies can cause a negative impact in the form of conflict between actors with differing interests, especially when the policy is considered to be contrary to the situation on the field. (Khaldun, 2017, p. 107).

To expedite regional spending, it is important to appoint officials not only to expedite

services but also to prevent conflicts of interest within the regional government. Although the Ministry of Home Affairs' recommendation on the appointment of officials has been implemented, there are some officials who may not fully comprehend their roles and responsibilities. Employee rotation can be advantageous to some extent when it is ensured that the quality of work is maintained. However, in reality, the replacement of financial management officials may result in individuals who are not familiar with their new roles and responsibilities. Due to their lack of experience, their comprehension of performance implementation, reporting, and financial accountability may be limited. Most of the regional officials are also hesitant and uncertain in making decision (Pudyatmoko & Aryadi, 2021, p. 299). A similar issue occurred in DKI Jakarta in 2019 where the frequent rotations of echelon II officials had a negative impact on the planning process. As a result, many government agencies were uncertain about implementing programs in the Regional Budget, leading to a low absorption of DKI's budget (Tambun, 2019).

This illustrates that the government bureaucracy has not fully embraced the principle of administrative expertise, thereby affecting the performance of the bureaucracy. To improve the effectiveness of the public administration system, the government must enhance the professional capacity of officials, particularly in public administration (Vigoda-Gadot, 2002, p. 2), since the Indonesian public administration approach is critical to good government bureaucracy at both central and regional levels. Moreover, the behavior of government officials in implementing public policies will influence the organizational culture of the bureaucracy and the overall performance of the public administration system. Based on the statement above, it is clear that the role of the government bureaucracy is not only in implementing state policies but also in formulating policies.

B. Ineffective Early Procurement Process

In addition, ineffective management of early appointments also contributes to delayed bidding processes for goods and services, resulting in repeated low absorption of the regional budget. The auction process is often carried out in the

current budget year, which is a common issue faced by many regional governments. Furthermore, the low budget absorption in 2021 was due to the many failed auction processes (Firmansyah, 2022).

To address this problem, the Ministry of Home Affairs has issued a Memorandum of Understanding (MoU) between the Ministry of Home Affairs and LKPP and BPKP (MoU No 027/6692/SJ and No 2 of 2022) to prevent problematic auction processes. An MOU with similar objectives was also issued in the previous year, namely MOU-8/K/D3/2021 on Early Procurement of Goods/Services in Regional Governments. This Memorandum of Understanding (MoU) was primarily concerned with the preparation of technical policies for early procurement, providing assistance and supervision to regional governments in establishing an early procurement process, encouraging the regional governments to submit procurement documents through the Information System for General Procurement Plan (SIRUP), as well as to monitor and evaluate the process to ensure accountability. The objective of the MoU was to encourage regional governments to commence the procurement process of goods and services early, starting from the year $n-1$, with the purpose of preventing the recurring issue of delayed procurement.

However, the MOU failed to dispel the doubts of regional governments to carry out the early procurement process, as they perceive that the MOU does not provide a strong legal basis for implementing early procurement, and it was unable to address policy overlaps in regional financial management. Regulations such as Government Regulation No. 12 of 2019 on Regional Financial Management, MoHA Regulation No. 77 of 2020 on Technical Guidelines for Regional Financial Management, and Presidential Regulation No. 16 of 2018 still create uncertainties and doubts for regional governments in carrying out procurement processes.

One example is the provision of Article 50 in Presidential Regulation No. 16 of 2018, which stipulates that for any procurement of goods and services conducted at the beginning of the year, the tender process can only proceed after this is approved in the Work Plan and Budget (RKA) of the regional work unit (SKPD). Currently the approval

mechanism for the RKA is not regulated, either in the Presidential Regulation or in the Government Regulation No. 12 of 2019. The said Government Regulation only stated that the approval is through DPA, not through RKA. Verification of RKA may also be performed by TAPD. The term “verification” created uncertainty in the regional governments. The regional governments also do not issue a regional government regulation or a regional head regulation to follow up on that issue.

Regional governments are facing uncertainty regarding the authority and responsibilities of the Budget User (PA) and the Commitment Making Officer (PPK) in the early procurement process, as stipulated in Articles 8-11 of Presidential Decree No. 16 of 2018. The regulation defines a contract as a written agreement between the PA/KPA/PPK and the provider or executor of self-management. The early procurement process encompasses planning, RUP, selection, and signing. However, difficulties arise as the planning process is often conducted in a different time frame and budget year. Moreover, the regulation does not clearly state that the PA/PPK is the same individual throughout the procurement process and contract implementation.

Another uncertainty is the maximum timeline to approve the Regional Budget Plan (RAPBN) to be a Regional Budget (APBN) which also hinders the procurement process. In the Government Regulation No. 12 of 2019, the RAPBN must be approved by the Head of Region and the Regional Legislative Council at the latest by 1 month before the start of the budget year. In other words, the approvals must be obtained on November 30. However, in the Government Regulation No. 16 of 2018 the region’s procurement plan (RUP) is announced after the draft of regional regulation (Ranperda) on the region’s budget (APBD) is approved by the Regional Government and the Regional House of Representative. Thus, the RUP should be announced on December 1. The two stipulations created uncertainties since a procurement process cannot be completed within a mere 29 days. With multiple stages of the procurement process, it usually takes longer than is required in the current regulations. Furthermore, the regional governments is also required to have an early procurement process ([Lapananda, 2022](#)).

In order to expedite the realization of regional budgets, it is imperative for regional governments to implement an early procurement process that is synchronized with the preparation of RKA SKPD, as outlined in Presidential Regulation No. 16 of 2018 on Government Procurement of Goods/Services. This regulation should serve as a guiding reference for regional governments. The procurement process should commence with careful planning.

With the issuance of the KUA/PPAS memorandum of understanding, the early procurement process must be carried out simultaneously with the preparation of the RKA SKPD, and the result is contained in the RUP. The RUP announcement must be made after the Regional Regulation on APBD has been jointly approved by the Regional Government & Regional House of Representative through the SIRUP application. Furthermore, the selection of goods and services contractors, which must occur at the beginning of the year, must also be carried out after the approval of the SKPD RKA, following the advance announcement of the RUP through the SIRUP application.

C. Other Factors Preventing the Improvement of Budget Realization

Financial management regulations should be reviewed to ensure they do not contribute to other issues that may delay the absorption of regional budgets. Budget executors may harbor doubts that lead to low budget absorption rates, which can further compound problems. For example, it is common for regional governments to carry out physical construction projects from the Special Allocation Fund (DAK) that require contractual obligations along with Detail Engineering Design (DED) activities. As a result, these projects are often delayed as they must wait for the DED to be completed first.

Another factor contributing to the low absorption of budgets is the tendency for a significant portion of the budget to remain unused, as evidenced by the budget realization report of program activities. For instance, Transfer Funds such as the Reforestation Fund DBH and Tobacco Excise DBH frequently go unused. Furthermore, there are indications that some regional government’s view keeping their funds

in banks as an opportunity to generate additional regional income (PAD) through demand deposit services and banking interest. Additionally, provincial tax sharing has not been distributed to districts/cities, including the excess from the previous year's regional tax target, and technical instructions for implementing activities sourced from central transfers are often delayed (Masitoh, 2022a).

It is suspected that funds are left idle in banks because goods and service providers do not request payment according to the agreed-upon terms, with invoices only being submitted at the end of the project after the work is completed. As a result, a significant cash position is often maintained.

In this regard, the Ministry of Home Affairs has called on regional governments to develop an accountable cash budget in line with the activity implementation plan. When regional heads lack a well-defined, clear, and measurable planning concept, it becomes difficult to direct budget utilization effectively (Sinaga, 2016).

The Evidence-Based Policy (EBP) system is one of the most widely used concepts in budget management in developed countries. South Africa is an excellent example of a country that implements EBP effectively. In planning their programs, South Africa involves researchers and supervises the research process (Jati, 2020, p. 131).

Another example of an effective budgeting system is Surabaya City in 2018. The city implemented the Enterprise Resource Planning (ERP) system, which later became the Government Resources Management System (GRMS) program, to integrate the organization's business as a whole. The GRMS program aims to manage bureaucratic activities from upstream to downstream to support regional financial management (Fanida & Niswah, 2015). As a result, Surabaya City had the highest budget absorption rate in Indonesia, reaching 92% (Zahroh, 2019).

To better manage regional finances, the Ministry of Home Affairs has directed various programs to improve human resources for financial management in the regions, such as those carried out by the East Java Provincial Government in 2018. The Technical Implementation Unit of

Regional Financial Management Laboratory (UPTLPKD) at the Regional Financial and Asset Management Agency (BPKAD) of East Java Province was developed to improve regional financial management. The program focuses on training and human resource development, which is conducted using the e-Learning method. Furthermore, the East Java Provincial Government provides accrual-based regional budget management assistance, which offers district/city governments in East Java the opportunity to consult and coordinate the financial management and program activities.

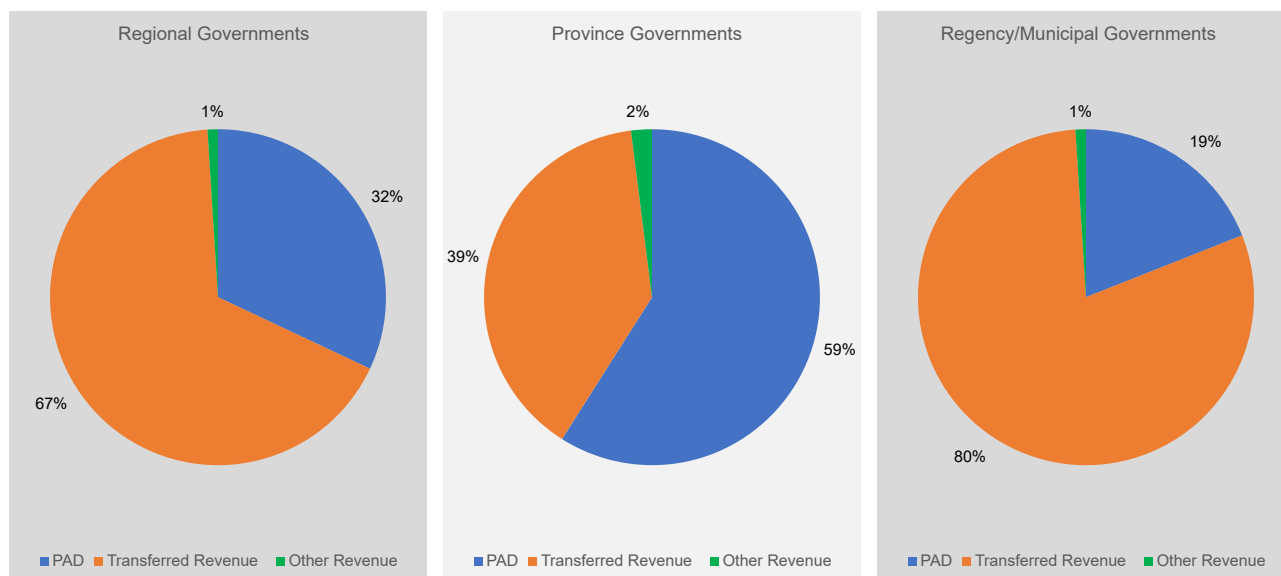
Human resources play an essential role in planning and budgeting because good financial management is influenced by quality spending. Regional financial training is usually able to increase regional performance. Regional financial training can help increase staff competence in managing finances, particularly in the budgeting process and financial administration (Dewi, 2015).

D. Productive Spending

Regional spending plays a vital role in driving public services and stimulating regional economic growth (Nurhidayah & Hendikawati, 2018, p. 116). It is a well-known fact that regional spending has a positive multiplier effect on society, as it creates job opportunities, increases local demand for goods and services, and drives economic growth. However, it has been noted by President Joko Widodo that regional spending tends to be disbursed towards the end of the fiscal year.

Regional spending is closely linked to regional income, and it is often observed that regional expenditure slows down in line with the slow receipt of local revenues, particularly funds originating from the central government. According to BPKP 2020 data, 60% of the regional budget (district/city) is derived from the central government, with only 32% originating from the region itself (PAD). In fact, based on the district/city government budget posture, 80% is from the central government's transfers.

The delay in the distribution of revenues originating from central government transfers is a persistent issue, as evidenced by Table 1 which highlights the slow distribution of general DAU and other funds. As of August 2022, the distribution of general DAU had only reached



Source: Evaluation of PABJ BPKP 2022.

Figure 2. 2022 Regional Revenue Budget Posture

63.89%, falling short of the government’s target of 66.6%. Similarly, the distribution of other funds was below 50%. The 2021 BPK review revealed that out of 503 regional governments, 443 or approximately 88.07% were categorized as Dependent Regional Governments, indicating that most regional governments are heavily reliant on transfer funds from the central government to finance their expenditures.

Unfortunately, the General Allocation Fund (DAU) is mostly allocated to unproductive spending, For instance, in West Java, the transfer

funds to Regions and Village Funds (TKDD) in 2022 amounted to IDR66.589 trillion, with the largest budget allocation being the DAU of 49.01% for personnel expenditures, like the 13th salary, THR, and regional ASN formations ([Kantor Perwakilan Bank Indonesia Provinsi Jawa Barat, 2022](#)). In the second quarter of 2022, the realization of West Java Province’s expenditure against the budget ceiling only reached 42.60%, falling short of the target. However, this figure represents an improvement from the same quarter in 2021, which only realized IDR15.25 trillion or 38.69% of the budget ceiling.

Table 1. Monitoring Data of 2022 Fund Transfers Disbursements

TKD Type	Budget	Disbursement	%
DBH	305,263,358,494,000	32,501,765,052,660	30.88
DAU	378,000,000,000,000	241,501,411,098,528	63.89
Physical DAK	60,874,000,000,000	14,924,769,947,006	24.52
Regular Physical DAK	47,421,622,025,000	11,241,727,230,304	23.71
Assigned Physical DAK	12,452,376,975,000	3,653,042,716,702	27.38
DAK - Non-Physical	128,719,843,06,000	74,647,787,570,180	57.99
DID	7,000,000,000,000	2,140,522,658,000	30.58
Special Autonomy Fund - Papua	8,187,594,963,000	3,152,350,270,560	38.50
Special Autonomy Fund - West Papua	4,688,668,607,000	1,560,659,606,531	33.29
Special Autonomy Fund - Aceh	7,560.000,000,000	4,606,421,639,113	60.93
Special Fund - Yogyakarta	1,320.000,000,000	1,056.000,000,000	80.00
Total TKD	762,487,465,130,000	391,016,446,789,584	51.28

Source: 2022 PABJ BPKP Evaluation

This increase in expenditure realization in West Java can be attributed to the threat from the central government, which plans to impose sanctions on regional governments that are slow in realizing spending at the beginning of the year. The central government will only transfer DAU based on regional needs (Safutra, 2022). The Ministry of Home Affairs has implemented a system of awards to encourage regional governments to realize their spending. In July 2022, the West Java Provincial Government was recognized as one of the regions with the highest realized APBD budget nationwide, along with West Papua, Bengkulu, Lampung, and the Riau Islands.

Targeted program planning is key to achieving high regional budget realization. By preparing a valid and accountable budget, regional governments can minimize budget revisions, which can slow down the absorption of the budget. Some regions have implemented solutions to increase budget realization, especially during the pandemic, such as accelerating spending in empowerment programs.

In West Java, for example, the continued development of various social infrastructures, such as Community Health Centers, Hospitals, and Health facilities, contributed to the increase in the realization of capital expenditure. However, infrastructure developments, such as bridges, irrigation, drainage, and towers for special areas, were delayed in 2020 and 2021 due to the COVID-19 pandemic. With the easing of economic activity in 2022, various infrastructure developments are expected to start soon.

E. The Complex Use of the Financial Management System

Budget realization in regional governments has been a long-standing issue. The regional government budget tends to be spent towards the end of the year. To prevent this issue from recurring, it is imperative to improve the quality of budget spending, beginning with budget allocation, planning, and implementation in the field. Moreover, the design of expenditure must be specific and target oriented. However, most regional studies have focused on the supply side rather than the demand side (Kuncoro, 2021). According to research by the Ministry of Finance,

this situation is often observed in education and health expenditures. Education spending in the regions has not been directed towards improving educational opportunities for school-aged children. Thus, education spending has only been concerned with the quantity of teaching staff and physical infrastructure. The largest component of education spending has been the salaries of teaching staff. Furthermore, regional governments have failed to prioritize certain service sectors. The use of DAK has not been directed at specific sectors, such as stunting prevention/remediation or increasing the number of children attending school (Direktorat Jenderal Perimbangan Keuangan, 2018).

The slow absorption of the budget and spending realization can be attributed to administrative problems, such as incomplete supporting documents, incomplete procedures, and the stagnation of the command line to the lowest level. Lower-level SKPD leaders fear breaking the rules, causing them to be passive, waiting for orders from their superiors. To address these issues, there is a need to improve regulations and provide technical guidance to regional governments.

Previously, the Ministry of Home Affairs Regulations No. 13 of 2006 on Guidelines for Regional Financial Management lacked technical certainty, on the management of regional finance, but the Ministry of Home Affairs has since issued Regulation of the Minister of Home Affairs No. 77 of 2020 on Technical Guidelines for Regional Financial Management. This regulation promotes digital-based financial management, ensuring one data and one system for consistency.

The rule is particularly important for regions at risk of receiving sanctions for delaying and withholding General Transfer Funds due to non-compliance with electronic government systems. The sanction was imposed on regions that failed to meet the requirement of implementing an electronic government system based on regional financial management (SPBE-PKD), which includes complete and fully integrated supporting applications by 2021, or at the test by 2022, as mandated by the Regulation Government No. 12 of 2019 concerning Regional Financial Management.

The Ministry of Home Affairs is also developing an integrated Regional Government

Information System (SIPD) to connect development planning, financial management, monitoring, evaluation, and reporting at the regional level, even down to the village level. The SIPD system has been designed to integrate development planning down to the village level and connect with regional financial management, monitoring, evaluation, and reporting on the implementation of regional government.

However, despite its intended benefits, many regions have expressed dissatisfaction with the application, citing issues with its functionality. Specifically, the SIPD system has been deemed unprepared to handle the high volume of regions logging in simultaneously, leading to significant obstacles in inputting data into the system (Ekaputra, 2021, p. 78; Hambali, 2022).

The mismatch between the data in the system and the needs of the regions, or the lack of elements required by the regions in the SIPD, is another significant problem (Deseverians & Wulandari, 2020, p. 24). Failure to address this issue will have a severe impact on the quality of the RKPD document, which may deviate from the RPJMD due to the alteration of activity nomenclature and ultimately affecting the output produced by the regional apparatus. Limited user understanding about running the system also contributes to this problem.

IV. Conclusion

Improving the realization of the regional budget is crucially linked to an increase in household spending, which, in turn, can boost the local economy. Although the Ministry of Home Affairs has undertaken several initiatives to improve the realization of the regional budget, their outcomes have not been satisfactory. For example, they have appointed officials for regional financial management through various policies and encouraged early procurement processes via a Memorandum of Understanding between Ministries/Institutions. However, these policies have not been very effective so far.

To improve the realization of the regional budget, early procurement processes must coincide with the preparation of RKA SKPD. Additionally, regional governments must refer to Presidential Decree No. 16 of 2018 while

determining the auction. In the policy context, the Ministry of Home Affairs should establish a bureaucracy that adheres to the principles of administrative expertise. This will encourage professional officials and counteract bureaucratic obstacles. Moreover, this should be supported by the Ministry of Home Affairs' sophisticated and barrier-free SIPD system.

The Ministry of Home Affairs must minimize gaps in the APBD acceleration relational policy by following the concept of the role of the government. According to Goldstein (2007), one of the roles is the role of support policies. In this regard, the Ministry of Home Affairs plays a vital role in issuing policies that can facilitate efforts to increase the realization of the regional budget. For example, easy access to information related to issued policies should be provided to authorized personnel to ensure efficient bureaucracy in the regions.

Additionally, adopting policies to promote the Evidence-Based Policy (EBP) system must be done, as it has been successful in several developed countries. The ERP system has been transformed into the Government Resources Management System (GRMS) program, which supports regional financial management by integrating bureaucratic activities from upstream to downstream in the expenditure context.

Encouraging regions to establish the UPT Laboratory for Regional Financial Management (UPTLPKD) can also contribute to the effectiveness of policies aimed at accelerating the realization of the regional budget. Furthermore, the use of budgets that are precisely targeted should be promoted. Development of infrastructure such as health facilities, bridges, irrigation, drainage, and designation of special area, which were delayed in 2020 and 2021 due to COVID-19, could be a solution to improve budget realization, as seen in West Java.

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