



## **Budget Process of North Lombok Regency: Investigating Administration of Social Assistance**



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### **Abstract**

Social assistance is the provision of donations in the form of money/goods from the regional government to individuals, families, groups, and communities that are not continuously and selectively to protect against possible social risks. This study aims to evaluate the implementation and identify factors causing social assistance problems in BPKAD Lombok Utara Regency budget year 2015. A research method in this study using qualitative methods with case study approach. Research data obtained through interviews, observation, and documentation. Data analysis is done interactively using data reduction stages, presenting data, and drawing conclusions or verification. The result of the research shows that (1) the lack of communication and coordination among social assistance management officers in financial administration so that the disbursement of social assistance funds is inconsistent as it is based on the Decree of the Regent of Lombok Utara Regency that is not by the APBD 2015. (2) The difference of understanding of the verifier in the process of administering finance to social assistance management procedures. And (3) the absence of Standard Operating Procedure (SOP) of social assistance management in Lombok Utara Regency. So hopefully in the process of administration of social assistance then BPKAD Lombok Utara Regency needs to improve coordination and thoroughness with the parties concerned and make SOP about social assistance management.

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## 1. Introduction

To improve democratization in the regions, the government provides autonomy rights in the implementation of regional government which is characterized by the emergence of Law Number 22 the Year 1999 on Regional Government which is further improved by Law Number 32 the Year 2004 regarding Regional Government. The local government also accepts the fiscal policy of the central government to manage their respective regional finances as stated by the enactment of Law Number 25 the Year 1999 which is further refined by Law Number 33 the Year 2004 and followed by the issuance of Government Regulation Number 58 the Year 2005 on Management Regional Finance. Furthermore, local financial management is implemented in the form of Regional Revenue and Expenditure Budget (APBD) which is determined by regional regulation (Riyanto, 2012). A budget is a financial plan that will be implemented in the future by identifying the goals and actions needed to achieve it (Hansen and Mowen, 2009: 423). Budgeting becomes an arena of war between financial managers who always have the orientation on macroeconomic stability with the planners and the poor (Rahman, 2011). Kuncoro (2008) explains that the budget is a statement about the estimated performance to be achieved over a given period expressed in financial size.

Rondonowu et al., (2015) propose the fundamental aspects of the implementation of regional autonomy and decentralization, namely the issue of regional financial management and regional budgets. Local revenue is a reflection of the regional economic potential and the basis for short-term planning because it is very reasonable if the central government to make Own Source Revenue (PAD) as the main criterion in the provision of Regional Autonomy. Meanwhile, Rahman (2011) states that the Regional Government Budget (APBD) as the foundation of local government should be in the interests of the community. It can be realized through the function of allocation, distribution, and stabilization. One type of budget contained in the Regional Government Budget (APBD) is social assistance spending.

Regulation of the Minister of Home Affairs Number 32 the Year 2011 related to the Guidance on Grant and Social Assistance Sourced from the Local Government Budget defines social assistance as assisting. From local government to individuals, families, groups, and communities that are not continuously and selectively in the form of money or goods to reduce the social risk of the beneficiaries. Social risk is a condition that can lead to potential social vulnerabilities borne by individuals, families, groups, and communities as a result of social crises, economic crises, political crises, natural phenomena and natural disasters. It is not provided, they cannot live in normal conditions.

Sianturi (2017) in her research explained that in the management of grants and social assistance, there are various problems, both in the planning, implementation, responsibility, and stages of administration. The examination results of the Supreme Audit Agency (BPK) show that there are many findings of control and compliance in the management of grants and social assistance.

The evaluation of the implementation of Regional Government Budget in North Lombok Regency in 2015 shows an indication of deviation on the management of social assistance in the 2015 budget year. Especially for social assistance as outlined in Regional Government Budget (APBD-M) in a pure form -that has been approved but has not been revised yet- in 2015 can be seen as presented in the table follows:

Table 1  
The Description of Social Assistance at Pure Regional Government Budget (APBD-M) 2015

No.	Description	Amount	Explanation
1.	Social Assistance expenditure	Rp 3.765.866.635,00	
1.1	Social Assistance expenditure for community organization	Rp 3.205.000.000,00	Sourced from General Allocation Grant (DAU) with the 29 recipients from community organization
1.2	Assistance Expenditure for Political Parties	Rp 560.866.635,00	Sourced from Own Source Revenue (PAD_ with 12 recipients from political parties

Source: Budgetary Implementation Document (DPA) in North Lombok Regency in 2015 (processed).

The table above presents the overall social assistance that have been set in the Pure Regional Government Budget (APBD-M) 2015. The recipient of the assistance and the amount of social assistance to the community organization in North Lombok Regency for the fiscal year 2015 is determined based on the Decree of the Regent of North Lombok No. 255/11 / KESRA / 2015. The budget and social assistance recipients in 2015 has changed. In practice, changes to pre-defined budget plans are common. The prevailing practice is in the form of pure budget and budget changes in Regional Government Budget (APBD). Pure budget is an initial budget as outlined in the Regional Government Budget Plan (RAPBD). Budget Change is a budget set after the RAPBD runs. The difference between the realization and the set budget is of primary concern. The magnitude of these figures indirectly reveals the capacity of the Regional Apparatus Organization (OPD) in the preparation of the budget (Kuncoro, 2008).

Regarding the amendment of the Revised APBD for 2015, the number of recipients of social assistance for Community Organizations, Consisting of KUBE, Inadequate Household Social Rehabilitation Assistance (RTLH), and Incidental Social Assistance Expenditures was changed to IDR 13,448,500,000.00 with beneficiaries of 138 Community Organization. Meanwhile, for the political party, it does not change. If, it refers to the Regulation of the Ministry of Home Affairs Number 39 the Year 2012. It is clearly stated that the Regional Head includes a list of recipient names, recipient addresses and the amount of social assistance in Annex IV of the Regional Head's Decree on the Translation of APBD, excluding social assistance to individuals and families which cannot be planned before. Regional Finance and Asset Management Board (BPKAD) of North Lombok District as the Regional General Treasurer (BUD) performs the function of administering social assistance in facing problems in the process of administration. Based on the above phenomenon, the problem formulation in this research are:

- a. How is the implementation of social assistance administration in BPKAD of North Lombok regency?
- b. What are the factors causing the problem of social assistance administration in BPKAD of North Lombok regency?

The purposes of this study are:

- a. To evaluate and analyze the implementation of social assistance administration in BPKAD of North Lombok Regency.
- b. To identify and analyze the factors that cause social assistance problems in BPKAD in North Lombok Regency.

## 2. Research Methods

The type of research design used in this study is qualitative research approach with case study method. Yin (2015: 1) explains that case studies are a more suitable research strategy to answer the research question related to how or why, the researcher has little chance of controlling the events to be investigated, and when the focus of his research lies in contemporary phenomena (present) in a real-life context. Data collection in qualitative research is defined as the activity of researcher collecting data in the field to answer the research question. Data collection is done by interview, documentation, and observation. In this case study research, the position of the researcher serves as the instrument in the study. As a research instrument, the researcher here plays the role of planner, data collector, analyst, data interpreter and ultimately a research reporter (Moleong, 2006).

Data analysis technique is done by: first, data reduction that is simplification and data transformation as an effort to focus data that relate to effort to reveal administration of social assistance. Second, the presentation of data is done by making the field narrative. Third, is to conclude from various findings related to the administration of social assistance.

## 3. Results and Analysis

Social assistance, which is one type of expenditure outlined in the Regional Revenue and Expenditure Budget (APBD), is used for community welfare by addressing existing social risks. Social assistance management often faces problems, both in the planning, budgeting, administration, and monitoring and evaluation phases. In the stage of administering social assistance for the fiscal year 2015, BPKAD is faced with the problem of different names of recipients and social assistance budget allocations so that in the process of disbursing social assistance funds there are inconsistencies which impact on administrative sanctions imposed for some social assistance administration apparatus in 2015.

This research found several causes of problems faced by the Regional Finance and Asset Management Board (BPKAD) of North Lombok regency as the Regional General Treasurer (BUD) in the administration of social assistance in North Lombok Regency. Firstly, in the process of verifying the documents for the completion of the

disbursement of social assistance funds, verifiers consisting of administrative verifiers, social assistance treasurers, BUD and BUD powers are lacking good communication and coordination so that carefulness in checking documents of completeness of social assistance with applicable regulations less implemented.

Second, the different understanding of all parties involved in the process of administering social assistance. Some verifiers understand that the reference used as the basis for disbursement is the decision of the regent, but on the other hand, the attachment of the list of beneficiaries in APBD 2015 which has been determined using local regulations is the basis that should be used in the process of disbursing social assistance. Local regulations have a higher legal standing than a regent's decree. Given these differences, inconsistencies in the social aid disbursement process are part of the process of administering social assistance.

Thirdly, the Government of North Lombok Regency has not yet established Standard Operating Procedure (SOP) on the management of social assistance. The Regulation of the Ministry of Home Affairs and the Regent's Regulation governing the management of social assistance is still general, giving rise to multiple interpretations by social assistance verifiers. SOPs are used to facilitate social assistance verifiers to work by their job desk. Problems that occur in the field is the verifier does not know the limits of job desk owned. The management of social assistance involving several Regional Device Organizations (OPD) has not been strictly defined in each process, starting from budgeting, implementation and administration processes, accountability and reporting, and monitoring and evaluation. Regulation of the Regent of North Lombok Regency Number 19 the Year 2012 Procedures for Budgeting, Implementation, and Administration, Accountability and Reporting and Monitoring and Evaluation of Grants and Social Assistance Sourced from the Regional Revenue Budget have not described in detail the clear job desk and flow arrangements in the process of administering the social assistance.

#### 4. Conclusion

Research on the administration of social assistance at BPKAD North Lombok Regency for the fiscal year 2015 shows that (1) lack of communication and coordination between social assistance managers in financial administration so that the disbursement of social assistance funds is inconsistent as it is based on the Decree of the Regent of North Lombok Regency which is not in accordance with APBD Annex fiscal year 2015. (2) Differences in understanding of verifiers in the process of financial administration of social assistance management procedures, (3) the absence of Standard Operating Procedure (SOP) of social assistance management of North Lombok Regency. Therefore, it is expected that in the process of administering social assistance BPKAD in North Lombok Regency needs to improve coordination and thoroughness with related parties and make SOP on the management of social assistance. BPKAD of North Lombok Regency needs to improve coordination and thoroughness with related parties and make SOP on social assistance management so that in the process of administering social assistance, the problem can be solved well. With the SOP, the workflow increasingly clear so that the understanding of job desk and regulation will be better.

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