ANALYSIS OF THE IMPLEMENTATION OF THE MINISTER OF HOME AFFAIRS REGULATION NUMBER 19 OF 2020 TO THE CIMAHY CITY GOVERNMENT

Astrie Mutiasari¹, Rina Setiasih², Silviana³
¹Sekolah Pasca Sarjana Universitas Widyatama, Bandung, Indonesia
²Universitas Widyatama, Bandung, Indonesia
³Corresponding Email: astrie.mutiasari@widyatama.ac.id

ABSTRACT
With the issue of the Minister of Home Affairs Regulation Number 19 of 2020, this indicates that the Government wants an increase in the quality of regional financial governance. Assessment in governance is expected to stay an encouragement for regional governments in providing quality regional financial governance performance that is effective, efficient, transparent, and accountable. This research is a quantitative descriptive study using the Minister of Home Affairs Regulation number 19 of 2020 which was carried out for the Cimahi City Government in 2019. The results of this study show that the Cimahi City Government has quite a good IPKD score.

Keywords: Good Governance, Quality of Financial Performance, Regional Financial Management Index, Effectiveness and Efficiency

I. INTRODUCTION
Good Governance has become a must for the government in managing public administration today. Public demands for transparency and public accountability are two very important things to create good governance. The community hopes that with the implementation of good governance, public services will be better. The government will focus more on results to prosper people and satisfying public needs.

In realizing good governance, local governments carry out the preparation and planning for regional development. According to Law Number 25 of 2004 about the National Development Planning System, planning is a process for determining proper future actions, through a sequence of choices, using available resources.

The first step in starting the activities to carry out must go through the planning stage first. Then, to carry out regional development, a planning and budgeting document must be ready. The planning and budgeting document will state the sources of funding for regional development plans. In implementing regional development planning, the government must engage the community to voice their aspirations in the Development Planning Deliberative Forum.

Coordination and collaboration between regional officials is necessary in creating consistency between planning and budgeting. In Government Regulation Number 17 of 2017 about Synchronization of the National Development Planning and Budgeting Process, which emphasizes the need for synchronization of the quality, effective, and efficient national development planning and budgeting process. Planning and budgeting documents need to be consistent and proper. In Indonesia, the development of national development planning and budgeting is carried out using the money follow program approach through performance-based budgeting. This means that the government only implements the main priority programs and activities, so that the predetermined work plan can run consistently.

Regional financial management is all activities that include planning, budgeting, implementation, administration, reporting, accountability and supervision. In regional financial management, a source of financing is required, which is recorded in the budget. The definition of regional finance is all the rights and obligations of a region in the framework of administering the Regional Government which can be valued in money as well as all forms of
assets that can be made regional property. Minister of Home Affairs Regulation number 19 of 2020 requires good regional financial management to meet the criteria, namely effective, efficient, transparent and accountable.

Cimahi City received an Unqualified Opinion on the 2019 Financial Statements for the seventh time. The value of the Government Agency Performance Accountability System in 2019 won the predicate "B" with a value of 66.00. This is in line with the goal of improving good governance in the Cimahi City. With the issue of the Minister of Home Affairs Regulation Number 19 of 2020 about Financial Management Index Measurement Regions, the authors try to do research using the dimensions of these regulations to measure the status of financial performance in the City Government of Cimahi.

II. LITERATURE REVIEW

Regional Finance

According to Government Regulation Number 12 of 2019, Regional Finance is all the rights and obligations of the Region in the framework of implementing Regional Government which can persist valued in money as well as all forms of assets that can stay owned by the Region in context with the rights and obligations of the Region.

The same Government Regulation also regulates to direct Regional Finances which are specified as all activities which include planning, budgeting, implementation, administration, reporting, accountability and supervision of Regional Finances. Government Regulation Number 12 of 2019 is the basis for the issuance of Minister of Home Affairs Regulation Number 19 of 2020 concerning Regional Financial Management Index.

Purpose of Regional Financial Management Index

The regional Financial Management Index (IPKD) is a unit of measure that is determined based on a set of dimensions and indicators to assess the quality of regional financial governance performance that is effective, efficient, transparent, and accountable for a certain period.

The regional financial management index (IPKD) is deemed necessary to assess the quality of regional financial governance performance. This is a form of fostering regional financial management from the Provincial Government and the Governor as representatives of the Central Government from the Regional Government.

The purpose of this IPKD issue is not only to measure the performance of regional financial governance, but also to motivate the provincial and local governments to improve their performance. Furthermore, there will be a disclosure of the results of IPKD measurements for local governments. The local governments that have the best IPKD nationally will receive an award. The goal is hoped that the subsistence of this IPKD can help the role of the Government Internal Supervisory Apparatus (APIP) in realizing the control of financial management that is transparent and accountable.

The Governor of West Java Province as the representative of the central government through the Provincial Regional Research and Development Agency (BALITBANG) has the duty to measure the IPKD of Cimahi City. Measurements will be made to the regional development planning documents, budget absorption implementation, and LHP of LKPD 1 year before the current year.

Dimensions Measured in Minister of Home Affairs Regulation Number 19 of 2020

In the Minister of Home Affairs Regulation Number 19 of 2020, there are 6 dimensions which serve as a reference to those regional finances which are well-managed. The 6 dimensions include:

Suitability of planning documents with budgeting

The first dimension has five assessment indicators. The indicators in this dimension emphasize the importance of matching names and budget ceilings in government documents. These indicators include:

The appropriateness of the RPJMD program nomenclature with the RKPD

The regional medium-term development plan (RPJMD) is a regional planning document for a period of 5 years. The Regional Development Work Plan (RKPD) is a regional planning document for a period of 1 year.
Assessment of the appropriateness of the RPJMD program nomenclature with the RKPD is carried out by taking into account the program nomenclature listed in both documents. If appropriate, a score will be given 1. On the other hand, after observing that there is no appropriate or not found, it will be given a score of 0.

Determination of the next score by adding up the scores in the appropriate program and then divided by the total number of programs in each government affair and regional apparatus. Formula for the determination of the score is as follows:

\[
D.1.1 \text{ Score } = \frac{\text{number of suitability scores}}{\text{number of programs}}
\]

The appropriateness of the RKPD program nomenclature with the KUA-PPAS

General budget policy (KUA) is a document that contains policies on revenue and expenditure and the underlying assumptions for a period of 1 year.

Provisional budget priorities and ceilings (PPAS) are priority programs and the maximum budget limits given to regional apparatuses for each program as a reference in the preparation of work plans and regional apparatus budgets.

Assessment of the appropriateness of the RKPD and KUA PPAS programs is carried out by taking into account the program nomenclature listed in both documents. If appropriate, a score will be given 1. On the other hand, after observing that there is no appropriate or not found, it will be given a score of 0.

Determination of the next score by adding up the scores of each program that is appropriate and unsuitable, and then divided by the total number of programs in each governmental affair and regional devices.

\[
D.1.2 \text{ Score } = \frac{\text{number of suitability scores}}{\text{number of programs}}
\]

The appropriateness of the KUA-PPAS program nomenclature with the APBD

The regional expenditure income budget or APBD is an annual regional financial plan stipulated by a regional regulation. The assessment of the conformity of the KUA PPAS program with the APBD is carried out by taking into account the program nomenclature listed in the two documents. If appropriate, a score of 1. On the other hand, if after a closer look it does not have a match or it is not found, it will be given a score of 0.

Determination of the next score by adding up the scores of each program that is appropriate and not appropriate, and then divided by the total number of programs in each government affair and regional apparatus.

\[
D.1.3 \text{ Score } = \frac{\text{number of program matches}}{\text{number of programs}}
\]

Suitability of the RKPD and KUA-PPAS program ceiling

Assessment of the suitability of the KUA PPAS program ceiling with the APBD is carried out by taking into account the suitability of the program ceiling listed between the two documents. If appropriate, a score of 1. On the other hand, if after a closer look it does not have a match, or it is not found, it will be given a score of 0.

Determination of the next score by adding up the scores of each program that is appropriate and not suitable, and then divided by the total number of programs on each government affair and regional apparatus.

\[
D.1.4 \text{ Score } = \frac{\text{amount according to ceilings}}{\text{number of programs}}
\]
The assessment of the conformity of the KUA PPAS program with the APBD is carried out by taking into account the program nomenclature listed in the two documents. If appropriate, a score of 1. On the other hand, if after a closer look it does not have a match, or it is not found, it will be given a score of 0.

Determination of the next score by adding up the scores of each program appropriate and unsuitable, and then divided by the total number of programs in the respective government affairs and regional apparatus.

\[
\text{D. 1.5 Score} = \frac{\text{amount according to ceilings}}{\text{number of programs}}
\]

The score for each indicator will be obtained using the formula:

\[
\text{D. 1 Index} = \text{Average Score} \times \text{Weighted Value}
\]

**Allocation of expenditure budget in APBD**

In the dimension of allocating the expenditure budget in the APBD which is the second dimension measured in the IPKD, there are indicators that serve as an assessment, including:

- The allocation and for the education function is 20% at a minimum of 20% of the APBD
- The allocation of total expenditure for health matters is at least 10% of the APBD excluding salaries
- The allocation of total expenditure for infrastructure directly in the allocation of transfer funds is at least 25% of the general transfer funds

Allocation of spending to meet minimum service standards

The way of scoring on this dimension is by looking at the predetermined indicators. If the indicator is assessed as meeting the requirements, then a score of 1 is given; otherwise, if it does not meet the stipulated requirements, then a score of 0 is given. The score for each indicator will be obtained using the formula:

\[
\text{D2 Index} = \text{Average Score} \times \text{Weighted Value}
\]

**Transparency in regional financial management**

The third dimension, namely the transparency of regional financial management, includes indicators of timeliness and accessibility. The timings of the presentation are given a value if the regional financial management documents are available or presented on the official website of the Regional Government or SIPD within 30 days after being determined. The access indicator gives a score of 1 if the measured regional financial document is available for public access or download and is open to the public through the official local government website or SIPD.

Assessment of indicators in this dimension requires a lot of data related to the information presented by the local government of Cimahi City. This information includes:

- a. Summary of RKPD documents
- b. General budget policy
- c. Summary of priority documents and budget ceilings
- d. Summary of SKPD RKA documents
- e. Summary of PPKD documents
- f. Summary of draft regional regulations on APBD
- g. Local regulations on APBD
- h. Regional head regulations concerning the elaboration of the APBD
- i. Summary of DPA SKPD
j. DPA PPKD

k. Local revenue realization

l. Realization of regional spending

m. Realization of regional financing

n. The summary of drafts revised APBD budget documents

o. Local regulations on changes to the APBD

p. Regional regulations concerning the elaboration of the amendments to the APBD

q. Summary of RKA changes

r. General procurement plan

s. Regional head decree on regional financial management officials

t. Regional head regulations on accounting policies

u. Cash flow statement

v. Realization of all SKPD budgets

w. PPKD budget realization

x. Balance sheet

y. Local government CALK

z. Financial reports of BUMD or regional companies

aa. Local government annual accountability and performance reports

bb. Establishment of a Regional Regulation (Perda) on the accountability for implementing the APBD

c. BPK opinion

The score for each indicator will be obtained using the formula:

\[ D.3 \text{ Index} = \text{Average Score} \times \text{Weighted Value} \]

1. **Budget Absorption**

Budget absorption is a fundamental obligation in regional financial management. In this dimension, the score is calculated based on each shopping object. The expenditure objects in question are personnel expenditure, interest expenditure, subsidy expenditure, grant expenditure, and social assistance expenditure.

The score for each indicator for the budget absorption dimension is the percentage between the expenditure budget and its realization. If the percentage reaches above 80% then the score is assigned the number 1. On the other hand, if it does not reach or reaches less than 80%, then the score is assigned the number 0. The score for each indicator will be obtained using the formula:

\[ D.4 \text{ Index} = \text{Average Score} \times \text{Weighted Value} \]

2. **Regional Financial Condition**

Regional financial conditions are the financial capacity of local governments to meet their obligations. Viewed from financial independence, financial flexibility, operational solvency, short-term solvency, long-term solvency, and service solvency. As well as assessing the ability of local governments to anticipate unexpected events and to execute their financial rights efficiently and effectively.
Table 1

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicator</th>
<th>Definition</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Financial Autonomy</td>
<td>The condition of the local government is not vulnerable to funding sources beyond its control, both from domestic and foreign sources.</td>
<td>total local revenue / total revenue</td>
</tr>
<tr>
<td>2</td>
<td>Financial Flexibility</td>
<td>Governance conditions can increase financial resources to deal with increased commitment either through increased income or increased debt capacity.</td>
<td>(total revenue − special allocation funds) / (total liabilities + personnel expenditure)</td>
</tr>
<tr>
<td>3</td>
<td>Operational Solvency</td>
<td>The ability of local governments to generate revenue to cover government operating expenses during the budget period.</td>
<td>(total operating report revenue − revenue from special allocation funds for operational reports) / total operating report expense</td>
</tr>
<tr>
<td>4</td>
<td>Short-Term Solvency</td>
<td>The ability of local governments to meet their financial obligations that are due in less than or equal to 12 months.</td>
<td>(cash and cash equivalents + short-term investment) / total operating report expenses</td>
</tr>
<tr>
<td>5</td>
<td>Long-Term Solvency</td>
<td>The ability of local governments to meet long-term obligations</td>
<td>total fixed assets / long-term liabilities</td>
</tr>
<tr>
<td>6</td>
<td>Service Solvency</td>
<td>The ability of local governments to provide and maintain the quality of public services that are needed and desired by the community</td>
<td>total fixed assets / total population</td>
</tr>
</tbody>
</table>

The procedure for assessing this dimension is calculated using the formula:

\[
\text{indicator index} = \frac{\text{actual value} - \text{minimum value}}{\text{maximum value} - \text{minimum value}}
\]

The regional financial condition index (IKK) is a weighted average of the dimensional index. Calculated using the formula:

\[
\text{financial condition index} = \frac{\text{total dimension index}}{\text{number of dimensions}}
\]

### 3. The Supreme Audit Agency's Opinion on LKPD
Giving opinions on LKPD is carried out in accordance with statutory mandates, among other things must be in accordance with Government Accounting Standards, adequacy of evidence, Internal Control System, and compliance with laws and regulations.

In the BPK opinion dimension, scoring is calculated if:

- Obtaining WTP opinion in the last 3 consecutive years will be given a score of 1
- Obtained WTP opinion 2 consecutive years in the last 3 years given a score of 2/3
• Obtaining a 1-year WTP opinion in the last 3 years will be given a score of 1/3 if the local government gets a disclaimer opinion given a score of 0

The weighted value of the BPK opinion dimension is 15. Furthermore, to calculate the BPK opinion dimension index on LKPD is by multiplying the score by the weight.

\[ \text{BPK opinion index} = \text{Score} \times \text{Weighted Value} \]

**Regional Financial Management Index Measurement**

Determine the weight of the IPKD is regulated in Article 14, Article 17 and Article 18 of the Minister of Home Affairs Regulation number 19 of 2020. The IPKD measurement performs by adding up all the multiplication results of each dimensional weight and dimensional index.

Determine the weight is divided based on the indices before described and has the following scores:

- Conformity of planning and budgeting documents equal to 15
- The budget allocation for expenditure in the APBD is equal to 20
- Transparency of regional financial management equal to 15
- Absorption budget equals 20
- Regional financial condition equal to 20
- The audit agency's opinion equals 15

The results of the IPKD measurement are clustered based on regional financial capacity, which includes: high, medium, low. Then, the measurement results are given a rating value, a good rating with an A value, the rating needs improvement with a B value, and it really needs improvement with a C value.

### III. RESEARCH METHODS

The method used in this research is descriptive quantitative research. According to Sugiyono (2017), the descriptive analysis method is a statistical method used to analyze data by describing or describing the data that has been gathered as it is without intending to make generalized conclusions or generalizations. Using a quantitative approach, where the meaning according to Sekaran (2017) is a scientific method whose data is in the form of numbers or numbers that can be processed and analyzed using mathematical or statistical calculations.

The data processed in this study were got directly from the Regional Development Management Agency (BAPPEDA), the Regional Financial and Asset Management Agency and the Cimahi City Regional Development Planning Agency through the Regional Financial Management Information System (SIPKD), in the form of data and interviews. Meanwhile, the audit opinion was obtained from the website of the City Government of Cimahi.

**Operationalization of Variables**

<table>
<thead>
<tr>
<th>Dimensional Variables</th>
<th>Concept</th>
<th>Indicator</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suitability of planning documents with budgeting</td>
<td>Conformity of RJPMD program nomenclature with RKPD</td>
<td>Assessment of the appropriateness of the RJPMD program nomenclature with the RKPD is carried out by taking into account the program nomenclature listed in the two documents.</td>
<td>- Appropriateness of the nomenclature of the RJPMD program</td>
</tr>
<tr>
<td>The</td>
<td>Assessment of the suitability of</td>
<td>- Appropriateness of</td>
<td></td>
</tr>
</tbody>
</table>

Table 2
<table>
<thead>
<tr>
<th>Appropriateness of the RKPD program nomenclature with the KUA-PPAS</th>
<th>The appropriateness of the KUA PPAS program is carried out by taking into account the program nomenclature listed in the two documents.</th>
<th>RKPD program nomenclature - Appropriateness of KUA PPAS nomenclature</th>
</tr>
</thead>
<tbody>
<tr>
<td>The appropriateness of the RKPD program nomenclature with the KUA-PPAS</td>
<td>The assessment of the conformity of the KUA PPAS program with the APBD is carried out by taking into account the program nomenclature listed in the two documents.</td>
<td>- Appropriateness of KUA PPAS nomenclature - Appropriateness of APBD nomenclature</td>
</tr>
<tr>
<td>Suitability of the RKPD and KUA-PPAS program ceiling</td>
<td>Assessment of the suitability of the ceiling per RKPD program with KUA PPAS is carried out by taking into account the suitability of the program ceiling listed between the two documents.</td>
<td>- Suitability of the ceiling on the RKPD program - Suitability of the ceiling on KUA PPAS</td>
</tr>
<tr>
<td>Suitability of the KUA-PPAS and APBD program ceiling</td>
<td>The assessment of the conformity of the KUA PPAS program with the APBD is carried out by taking into account the program nomenclature listed in the two documents.</td>
<td>- Suitability of the ceiling on KUA PPAS - Suitability of the ceiling on the APBD</td>
</tr>
<tr>
<td>Allocation of expenditure budget in APBD</td>
<td>Calculating the budget allocation for expenditure in the APBD</td>
<td>- Allocation of total expenditure for education</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Allocation of total expenditure for infrastructure</td>
</tr>
<tr>
<td>Transparency in regional financial management</td>
<td>Regional financial management transparency includes indicators of timeliness and accessibility. Timeliness of presentation concerns the presentation of regional financial management documents. Accessibility concerns the availability of access to financial documents for the public.</td>
<td>- Summary of RKPD documents</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Summary of priority documents and budget ceilings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Summary of PPKD documents</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Local regulations on APBD</td>
</tr>
<tr>
<td>Absorption Budget</td>
<td>Budget absorption is a fundamental obligation in regional financial management. The spending objects in this indicator are personnel spending, interest spending, subsidy spending, grant spending and social assistance spending.</td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
</tbody>
</table>
| Ratio             | - Summary of DPA SKPD  
|                   | - DPA PPKD  
|                   | - Realization of local revenue  
|                   | - Realization of regional spending  
|                   | - Realization of regional financing  
|                   | - Summary of draft budget amendment documents  
|                   | - Local regulations on changes to the APBD  
|                   | - Regulation on the elaboration of APBD amendments  
|                   | - Summary of RKA changes  
|                   | - General procurement plan  
|                   | - Decree on regional financial management officials  
|                   | - Regional head regulations regarding accounting policies  
|                   | - Cash flow statement  
|                   | - Realization of all SKPD budgets  
|                   | - PPKD budget realization  
|                   | - Balance sheet  
|                   | - Local government notes to financial statements  
|                   | - Financial reports of BUMD or regional companies  
|                   | - Annual accountability and performance reports  
|                   | - Regional regulations on accountability for implementing APBD  
|                   | - BPK opinion  
|                   | - Budget  
|                   | - Realization of Employee Expenditures  
|                   | - Realization of Interest Expenditures  
|                   | - Realization of Subsidy Spending  
|                   | - Realization of Grant Expenditures  
|                   | - Realization of Social Assistance Expenditures  

www.turkjphysiotherrehabil.org
Regional Financial Condition | Regional financial conditions are the financial capacity of local governments to meet their obligations. | - Regional Income  
- Regional Obligations  
- Employee Expenditures  
- Operational report purchasing  
- Cash  
- Short term investment  
- Fixed assets  
- Total population | Ratio  
| The Supreme Audit Agency's opinion on LKPD | Giving opinions on LKPD is carried out in accordance with statutory mandates, among others must be in accordance with Government Accounting Standards, adequacy of evidence, Internal Control System, and compliance with laws and regulations. | - BPK opinion | Ratio  

IV. RESULTS AND DISCUSSION

Processing the data uses the indicators contained in the Minister of Home Affairs Regulation Number 19 of 2020 to get the results of the assessment ranking at the Regional Government of the City of Cimahi using the 2019 financial statements.

Based on the results of data processing, the first dimension is the appropriateness of planning documents with budgeting. The Cimahi City Regional Government gets a total score of 12.67 from the highest score of 15. There is still an inconsistency in the nomenclature and ceilings contained in the Cimahi City Regional Government's financial documents, especially in the nomenclature compatibility between the RPJMD document and the RKPD document. Nomenclature inconsistency is because in 2019 there are conditions that need streamlining or simplification of program nomenclature.

The second indicator is the expenditure budget allocation. The Regional Government of Cimahi City received a score of 10 out of a total maximum score of 20. The infrastructure allocation is direct from the transfer fund, and the Cimahi City Government only provides 20% of the total requirement of 25%.

The third indicator, namely the transparency of regional financial management, has the lowest score compared to other indicators. In this indicator, the Regional Government of Cimahi City only gets a score of 6.97 out of the highest total score of 15. The Regional Government of Cimahi City cannot meet the timeliness of financial management publications, which requires a maximum of 30 days after being determined. Then for access, as many as 50% of financial management documents cannot be accessed on the website of the Cimahi City Regional Government.

In terms of budget absorption, the Regional Government of Cimahi City has a score of 11.11 out of the highest score of 20. An absorption that did not score was included subsidies, social grants, unexpected expenditures and capital expenditures. The Regional Government of Cimahi City does not reach 80% of the subsidies, and its unexpected expenditures can be categorized as budget efficiency because unexpected expenditures are only realized when there is an emergency.

In the fifth indicator, to see the financial capacity of local governments in fulfilling their obligations, cannot be used as a scoring in this study. Due to this indicator, an assessment result of all provinces in Indonesia is required, which will then be compared between these provinces. So that it cannot be generalized to the Regional Government of Cimahi City.

The Regional Government of Cimahi City received a full score for the BPK opinion indicator because the Cimahi City Regional Government received an Unqualified Opinion (WTP) for 3 consecutive years. So that on this indicator the Regional Government of Cimahi City gets a score of 15.
The last result of calculating the indicators above needs to be added up to get the IPKD value. The Regional Government of Cimahi City received an IPKD score of 55.76. This value cannot be categorized at this time because there is one unknown indicator, namely the financial condition of the region.

The classification cannot be done only by counting 1 city because the classification is seen based on the provincial value compared to other provinces in Indonesia, and the middle value is sought to see which provinces have the ability above the average of other provinces.

V. CONCLUSION

Regulation of the Minister of Home Affairs Number 19 of 2020 has a positive impact in improving Government financial governance. Financial governance requires good planning as well as the suitability and commitment to be guided by the plans that have been determined both in terms of ceilings and nomenclature.

In general, Cimahi City Governments get a fairly good IPKD score. The local government of Cimahi City is considered to need to improve the means of publication for financial management so that the public can access it.

REFERENCES