

FACTORS AFFECTING THE ACCURACY OF PERFORMANCE INDICATORS DEVIATION PAGE III DIPA IN LEVEL 1 WORK UNITS AT THE MINISTRY OF FOREIGN AFFAIRS

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ABSTRACT

This research aims to analyze the factors influencing the Deviation Indicator Page III of the Budget Implementation Document (DIPA) policy by using the Budget Implementation Performance Indicator (IKPA) at Level 1 Work Units of the Ministry of Foreign Affairs. The implementation of IKPA is expected to encourage improvements in financial management accountability through increased compliance of Ministry/Agency Work Units with budget implementation regulations. The research locus is the Level 1 Work Units of the Ministry of Foreign Affairs during the 2023 period. The research data is sourced from secondary data. The results of the research indicate that staff mutations, competency, and leadership commitment influence the accuracy of the Budget Realization Report (RPD) as measured through the Deviation Indicator Page III of DIPA.

KEYWORDS Fund Withdrawal Plan, IKPA, Budget Absorption



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INTRODUCTION

The State Budget (APBN) serves functions of authorization, planning, supervision, allocation, distribution, and stabilization. The state budget is managed by the government in a prudent and transparent manner to support the strengthening of the national economy, emphasizing good governance. The state budget is aimed at stimulating economic activities and promoting economic growth in society. In accordance with the Minister of Finance Regulation Number 195/PMK.05/2018 regarding Monitoring and Evaluation of State Expenditure Budget Implementation in Ministries/Agencies, the Minister of Finance, as the General State Treasurer (BUN),

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measures the quality of expenditure performance in Ministries/Agencies using the Budget Implementation Performance Indicator (IKPA).

To realize higher-quality spending in Ministries/Agencies, to spend better, and in accordance with good governance principles, and to provide a more transparent and accountable assessment of budget implementation performance indicators, the Director-General of Treasury has established the budget implementation policy for 2022 to regulate the assessment of budget implementation performance indicators for state ministries/agencies according to the Director-General of Treasury Regulation Number PER-5/PB/2022 regarding Technical Guidelines for Assessing Budget Implementation Performance Indicators for Ministries/Agencies.

The changes in the budget implementation policy for 2022 through the reformulation of Budget Implementation Performance Indicators are aimed at supporting quality spending by strengthening value for money assessments, accelerating spending and output achievement, and determining the degree of reasonableness in performance assessments at unit levels, Level I and Ministries/Agencies.

Improving the quality of budget implementation changes the paradigm of governance quality to implementation quality by simplifying performance assessments into 3 aspects, including planning quality, implementation quality, and implementation result quality, with 8 indicators including Revised DIPA, Deviation Page III of DIPA, Budget Absorption, Contractual Spending, Invoice Settlement, Cash Management/Additional Cash, SPM Dispensation, and Output Achievement.

Achieving government spending goals can be driven by optimizing financial management performance throughout the budget implementation cycle. This is relevant considering performance as a benchmark for achieving work results by a unit. Therefore, Ministerial Regulation 195/PMK.05/2018 has regulated the utilization of data and information as benchmarks for performance achievement.

Since 2015, IKPA has been consistently used in measuring and assessing the performance of budget implementation in Ministries/Agencies. Over time, IKPA assessments have also developed in terms of data processing mechanisms, assessment formulations, and the addition of indicators. It can be said that IKPA is dynamic, considering the developments/changes that have occurred over time. This strategy is considered the most appropriate way to continue driving the achievement of increasingly ideal and optimal budget implementation performance in Ministries/Agencies.

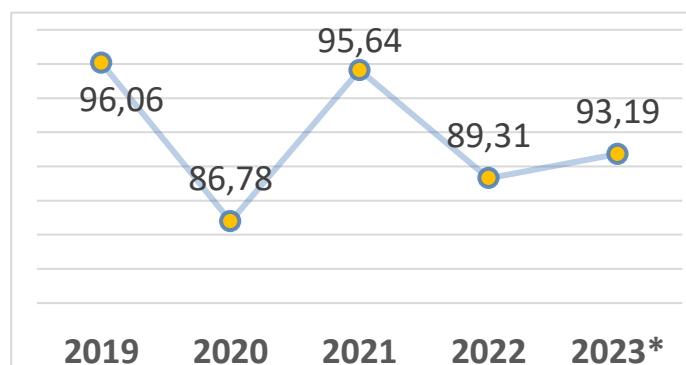


Figure 1.1. Achievement of IKPA at the Ministry of Foreign Affairs for the period 2019 - 2023

Source: Evaluation of Budget Implementation at the Ministry of Foreign Affairs for the Fiscal Year 2023

The Achievement of IKPA Value in 2023 at the Ministry of Foreign Affairs has entered the "good" category with a value of IKPA 93.19. This achievement increased by 3.88 compared to the IKPA achievement in 2022, which was 89.31. This shows that the use of IKPA as a tool for monitoring and evaluating budget implementation has proven to improve financial governance performance at the Work Units.

The assessment of IKPA conducted by the Ministry of Finance on the administrative technicalities of APBN implementation is expected to encourage improvement in APBN governance performance to be better, more accountable, and higher quality.

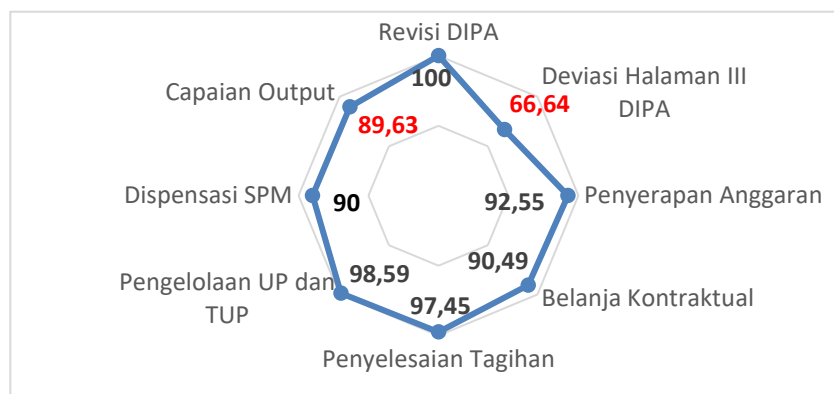


Figure 1.2 Achievement of IKPA at the Ministry of Foreign Affairs for the Fiscal Year 2023

The poor cash planning in Indonesia can be seen from the achievement indicator value of Deviation Page III of the Budget Implementation List (DIPA) in the 1st Quarter of 2023, which only reached a score of 67.1 out of 100. This indicates that the ratio between the level of budget absorption and the Budget Withdrawal Plan (RPD) has a fairly high deviation.

In the above figure, we can see that the indicator that is not yet optimal is the Deviation Indicator of Page III of DIPA, which depicts the significant gap between cash planning and budget absorption. Cash planning is crucial for managing the limited APBN, so that spending can be done efficiently and effectively.

Based on the results of the IKPA workshop for the Fiscal Year 2023, it was conveyed that the accuracy of cash planning in the preparation of the Budget Withdrawal Plan (RPD) can result in higher-quality spending implementation with proportional budget absorption and not accumulating at the end of the fiscal year.

Unit Es. I	Kualitas Perencanaan Anggaran		Kualitas Pelaksanaan Anggaran					Kualitas Hasil	Nilai IKPA
	Revisi DIPA	Deviasi Halaman III DIPA	Penyerapan Anggaran	Belanja Kontraktual	Penyelesaian Tagihan	Pengelolaan UP dan TUP	Dispensasi SPM	Capaian Output	
SEKRETARIAT JENDERAL	100	66,68	87,4	91,42	99,04	98,52	90	88,81	89,75
DITJEN ASIA PASIFIK DAN AFRIKA	100	93,82	95,97	100	100	96,26	100	100	98,2
DITJEN AMERIKA DAN EROPA	100	86,41	92,33	-	-	99,77	100	100	96,36
DITJEN KERJA SAMA ASEAN	100	58,41	97,75	78,02	90,48	99,9	100	100	92,23
DITJEN MULTILATERAL	100	73,15	99,14	96,19	85,71	96,54	100	100	94,99
DITJEN INFORMASI DAN DIPLOMASI PUBLIK	100	75,18	92,45	100	100	99,21	100	99,62	95,83
DITJEN HUKUM DAN PERJANJIAN INTERNASIONAL	100	62,31	90,78	-	-	99,89	100	100	92,97
DITJEN PROTOKOL DAN KONSULER	100	62,59	82,67	100	95,24	91,81	100	100	91,5
INSPEKTORAT JENDERAL	100	80,52	100	-	-	99,67	100	100	97,52
BADAN STRATEGI KEBIJAKAN LUAR NEGERI	100	90,95	100	-	-	97,88	100	100	98,6

Figure 1.3 Achievement of IKPA Level 1 Work Units for the Fiscal Year 2023

Source: Evaluation of Budget Implementation at the Ministry of Foreign Affairs for the Fiscal Year 2023

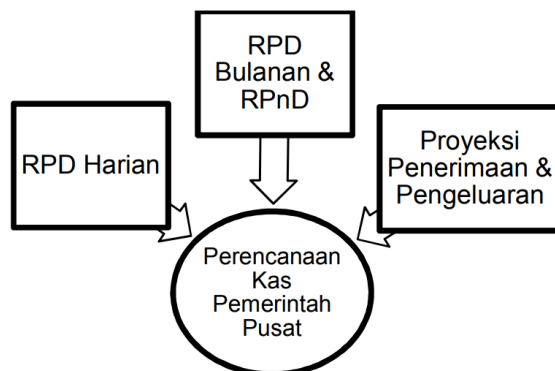
From the above matrix, looking at the Deviation Indicator of Page III of DIPA, it is known that there are still many Level 1 Work Units at the Ministry of Foreign Affairs whose cash planning is not yet optimal. This can be seen from the achievement of indicators below the value of 80.

Literature Review

Government cash management, according to Mu (2006), encompasses the entire process and strategies related to regulating government cash flows in the short term among government institutions and between the government and the private sector. (Storkey, 2003) Cash management is simply defined as the process of providing an accurate amount of money to meet government obligations in the most efficient manner. (Lienert, 2009) Cash management is crucial because there is a time difference between spending and the availability of cash.

(Marwanto dan Tri, 2022) Cash Management in Indonesia is carried out by the Ministry of Finance, delegated to the Directorate General of Treasury, while debt management functions are delegated to the Directorate General of Financing and Risk Management (DJPPR). The Directorate General of Treasury and DJPPR coordinate in synchronizing cash needs with financing arrangements. Cash planning is sourced from a top-down mechanism originating from the CPIN (Cash Planning Information Network) team and a bottom-up mechanism originating from the Budget Withdrawal Plan (RPD) of Ministry/Agency Work Units.

(Anang Febri, 2019) Cash planning itself, in accordance with the mandate of Ministerial Regulation 197 of 2017, is prepared based on data from Daily RPD, Monthly RPD, national-level RPnD, and expenditure and/or revenue projections from Level I Units of the Ministry of Finance.



Sumber: Steven, 2017

Figure 1.4 Source of Central Government Cash Planning Data

During the Workshop Socialization of IKPA for Q1 FY 2023, it was stated that uncertainty in cash planning results in inefficient cash provision by BUN. This leads to the government not accurately knowing how much obligation the state must pay. There is a significant potential for idle cash as a precautionary measure against government spending. Government borrowing incurs a relatively high cost of funds.

The Implementation of IKPA Policy, especially the Deviation Indicator Page III, is of particular concern to the Ministry of Finance and the Ministry of Foreign Affairs. Due to the significant deviation between cash planning and budget realization, the author used Policy Implementation theory to identify the factors and constraints influencing the implementation of the Deviation Indicator Page III of DIPA policy, particularly in RPD preparation.

The high gap between cash planning and budget absorption, which impacts budget performance, is considered not in line with the main goal of achieving ideal and optimal budget implementation. The author evaluates George C. Edward III's implementation model (1980) for analyzing cash planning policy implementation through IKPA indicators at the Ministry of Foreign Affairs.

George C. Edward III (1980) explains that various factors affecting the success or failure of policy implementation consist of 4 variables: communication, resources, disposition, and bureaucratic structure, which can be used as the basis for assessing policy implementation. Based on IKPA Evaluation meeting minutes, it is known that there is a gap in understanding related to budget implementation policy at the Ministry of Foreign Affairs, and delaying spending behavior is also one of the constraints. Edward III states that even if government policies are very clear and consistent, if there is unclear policy information dissemination, policy implementers' attitudes, and deficiencies in resources in implementing policies, the policy implementation will not be effective.

Referring to one of the problems in IKPA policy implementation at the Ministry of Foreign Affairs as described by the author above, it is not in line with the implementation concept proposed by George C. Edward III because there are issues with the factors influencing policy implementation in the field.

According to George Edward III in Widodo (2010:96), there are 4 factors influencing the success or failure of policy implementation, namely (1) communication, (2) resources, (3) disposition, and (4) bureaucratic structure.

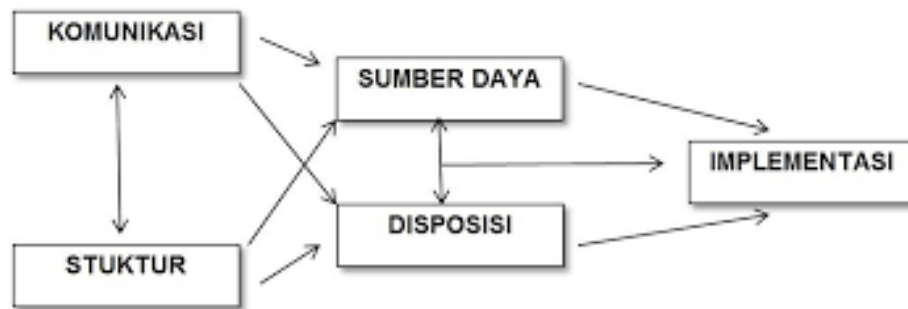


Figure 1.5 Factors Influencing Policy Implementation

Communication

The communication dimension is described as efforts to ensure that all policy implementers understand the policy clearly, accurately, and consistently so that they can implement the policy as expected. If policy implementers do not clearly understand the policy, the policy is unlikely to be implemented effectively.

Resources

The Resources dimension is described as an important part of policy implementation because even if the policy received by policy implementers is clear and accurate, they will not be able to implement the policy if not supported by resources such as: the appropriate number of workers (human resources) and the required competencies to implement the policy, as well as adequate facilities such as equipment, budget, and space. Appropriate workforce matching skills, relevant information related to policy implementation are important factors to consider in policy implementation.

Disposition

The Disposition dimension according to Edward III in Widodo (2010:104) is defined as "the willingness, desire, and tendency of policy actors to implement the policy earnestly so that the policy goals can be achieved".

Bureaucratic Structure

The Bureaucratic Structure dimension is described as one of the factors that, if neglected, can thwart policy implementation because fragmentation in a bureaucratic structure will make coordination, consolidation, and communication flow between implementers ineffective and result in resource wastage, hindering change, overlap, and policy goals becoming inappropriate.

RESEARCH METHOD

This research adopts a qualitative approach. Referring to Creswell's opinion that "Qualitative research focuses on the process that is occurring as well as the product or outcome. Researchers are particularly interested in understanding how things occur." Therefore, in this case, the qualitative approach is considered suitable for analyzing this research in detail, intensively, and comprehensively.

According to Neuman (2014), there are 3 types of research: descriptive, explanatory, and exploratory. Descriptive research tends to provide a depiction of a phenomenon, explanatory aims to delve deeper into why and how a phenomenon can occur, while exploratory delves into something that is not widely known by others. This research falls into the descriptive research category, aiming to analyze and describe the implementation of cash planning in budget implementation with a study on the use of IKPA.

The data used are secondary data sourced from relevant agencies. The research locus is conducted at Level 1 Work Units of the Ministry of Foreign Affairs for the period of 2023.

RESULT AND DISCUSSION

To test the factors influencing the Implementation of Cash Planning at Level 1 Work Units of the Ministry of Foreign Affairs, the researcher used dimensions. Based on the analysis conducted by the researcher, the following discussion results were obtained:

Communication Dimension

Communication is an important factor and poses its own challenges in the implementation of cash planning policies using the Deviation Indicator Page III of DIPA. The communication dimension is used here to assess how government policies are communicated by policy implementers. In the communication dimension, there are three indicators highlighted: how policies are transmitted, how clarity of purpose and policy consistency are maintained.

Transmission

The cash planning policy is conveyed by the Ministry of Finance through communication with invitations and notifications to Ministries/Agencies. This socialization is conducted in the form of KOPI Coordination Meetings (Coordination for Improving the Quality Indicators of Budget Implementation and Synergy). KOPI is one manifestation of the role of the Government (Regional Office of the Directorate General of Treasury for DKI Jakarta Province) in evaluating and guiding Work Units in accurately planning cash flow.

Hal : Rapat Koordinasi Isu Strategis Pelaksanaan Anggaran Tahun 2023 Wilayah
DKI Jakarta

Yth. Para Pejabat Pimpinan Tinggi Pratama Kementerian/Lembaga yang Membidangi
Keuangan di Wilayah Provinsi DKI Jakarta

Dalam rangka sinergi dan koordinasi pelaksanaan anggaran pada Kementerian/Lembaga (K/L) di wilayah Provinsi DKI Jakarta, kami bermaksud mengundang Saudara dalam acara **KOPI PAGI (KOordinasi Peningkatan Indikator Kualitas Pelaksanaan Anggaran dan sinerGI)** yang rencananya akan diselenggarakan pada:

**Figure 1.6 Invitation for Strategic Budget Implementation Meeting
Regional Office of the Directorate General of Treasury for DKI Jakarta
Province**

Information Clarity

Edward III explains that information clarity is crucial for effective policy implementation. In addition to transmitting policy information effectively, clear and detailed information clarity must also be achieved to attain desired goals. Information related to the Deviation Indicator Page III of DIPA policy has been conveyed quite clearly to policy implementers. This aims to ensure accurate presentation of cash planning so that the government knows the required cash flow needs.



**Figure 1.7 IKPA Series II 2023 Workshop Budget Implementation
Directorate**

The Budget Implementation Directorate as the IKPA Manager has regularly informed about this policy. The way the Directorate of Budget Implementation disseminates information is by holding socialization sessions for all policy implementers via Zoom meetings and YouTube. Several media platforms used by the Budget Implementation Directorate to convey information are accessible to the public so that policy-related information can be widely disseminated.

Consistency

Policy implementation can be realized with clear rules. Unclear, contradictory, and inconsistent rules can hinder policy implementers in implementing policies. Based on secondary data through memoranda and the results of Budget Implementation Evaluation (EPA) activity reports, it is shown that the government's consistency in conveying policy information regarding budget implementation policy (IKPA) and evaluating cash planning through social media.

Work Units still do not fully understand the IKPA assessment, especially regarding the Revision Indicator of Page III of DIPA. This results in Work Units submitting revisions of Page III of DIPA later than the maximum date for revising to the Regional Office of the Directorate General of Treasury.

Resource Dimension

Resources are one of the crucial factors determining the success of policy implementation. Edward emphasizes that the number of human resources must be adequate. In addition, assigned staff must also be skilled and competent, have the authority to carry out tasks, and be provided with good facilities. Edward III (1980) states that "no matter how clear and consistent implementation orders are and no matter how accurately they are transmitted, if the personnel responsible for carrying out policies lack the resources to do an effective job, implementation will not be effective." Thus, it can be interpreted that policy implementation greatly depends on resources.

Rapid turnover of personnel in Work Units leads to a lack of knowledge and understanding in submitting revisions of Page III of DIPA according to the regulations, resulting in many Work Units experiencing delays in submitting revisions of Page III of DIPA.

Through the Budget Implementation Evaluation (EPA) for the year 2023, it is known that there is still uneven understanding regarding the preparation of cash planning through the RPD. This is evident from Level 1 Work Units not calculating with attention to the average consistency between budget realization and monthly Withdrawal Plan (RPD) for each type of expenditure.

Attitude/Disposition Dimension

Looking at the Attitude/Disposition Dimension. In policy implementation, the attitude or perspective of policy implementers should be considered as a factor influencing the success of policy implementation, by considering variables such as willingness, support, and perception. It is known that the Commitment Maker Officials (PPK) have carried out their duties in drafting the RPD in accordance with the specified regulations. However, the lack of adjustment to dynamic changes in work unit environment has not been responded to promptly by relevant officials, which becomes one of the factors affecting the accuracy of RPD.

Bureaucratic Structure Dimension

In implementing a policy, Standard Operating Procedures (SOP) can facilitate implementers in implementing policies and create uniformity of actions among

involved parties. With SOPs in place, policy implementers can directly make decisions regarding issues that have been regulated in the SOP.

Results from meeting minutes and evaluations show that not all Level 1 Work Units have standardized SOPs, so policy implementers only rely on manual books to implement policies. This becomes a weakness because there are no standardized procedures in policy implementation, making the implementation of this policy ambiguous, unclear, and weak.

CONCLUSION

Based on the analysis of policy implementation and its influencing factors, the following are identified: The factors influencing policy implementation include weaknesses in (1) resources, indicated by competency gaps in policy implementation due to rapid turnover of officials, (2) disposition, indicated by a lack of awareness among implementers in updating the RPD, and (3) bureaucratic structure, marked by the absence of SOPs governing policy implementation. 1. To ensure accurate implementation of cash planning policy, the researcher suggests the following recommendations related to policy implementation: 2. Participate in one-on-one meetings facilitated by the budget implementation policy manager, enabling financial managers of Level 1 Work Units to better understand how to accurately prepare cash planning by reviewing the initial DIPA to assess the alignment of Program/Activity/Output allocation in the DIPA with the needs of the work unit/Ministry/Agency and periodically adjust policy programs/activities immediately after DIPA revisions. 3. Develop documents that translate completed and ongoing activities during personnel turnover, ensuring that cash planning aligns with activity implementation. 4. Develop SOPs governing budget implementation policies to assist activity implementers in ensuring that all activities are equipped with activity schedules and include plans for funds needed to be realized on Page III of DIPA. 5. Encourage strong participation and commitment from stakeholders of Level 1 Work Units and change the mindset that cash planning through RPD is no longer just a routine obligation to be prepared as part of administrative processes. Beyond that, good cash planning can impact proportional budget absorption, preventing expenditure accumulation at the end of the year.

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