LOCAL FINANCIAL POLICY IMPLEMENTATION STRATEGY: STUDY OF BANDUNG REGENCY GOVERNMENT BUDGET FOR FISCAL YEAR 2018-2020

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Abstract

This research will be carried out to analyze the Policy Implementation, the factors causing its ineffectiveness, and the implementation strategy steps of the Bandung Regency Government's Regional Finance for the 2018-2020 Fiscal Year. This research will then be carried out using a mixed method to understand the research problems better. This study then found that the level of independence, dependence, and the degree of fiscal decentralization in the Bandung district had not been optimally achieved. Factors that cause the implementation of Bandung district's regional financial policy have not been effective, among others, Easy/Whether Problems Are Controlled, Aspects of Policy Ability to structure the implementation process, Aspects outside the Policy Implementation Process, Aspects of Real Impact of Policy Outputs, and Aspects of Difficulty in fostering employees/officers. Therefore, implementing regional financial management policies in Bandung Regency requires an appropriate strategy following the dynamics of the problems and challenges of the local area.

Keywords: Policy Implementation, Bandung Regency, Public Policy, Regional Financial Management, Strategy.

A. INTRODUCTION

Following Law Number 23 of 2014 concerning Regional Government, "Regional Autonomy is the right, authority, and obligation of an autonomous region to regulate and manage its government affairs and the local community's interests in the system of the Unitary State of the Republic of Indonesia". The basis for implementing regional autonomy includes concurrent government affairs handed over to the regions. The implementation of government affairs is the region's authority due to the submission of government affairs (Bintang et al., 2019).

The logical consequence of implementing this regional autonomy is that a reliable system of planning, development, and control is required. Of course, the system must be integrated, integrated, and transparent. Apart from that, the system must also be supported by the quality of human resources as implementers and adequate resources and budgets in regional financial management (Ngene et al., 2021). Regional finance is a very decisive factor in the administration of local government. The ability of local governments to manage regional finances reflects their ability to run the government. Regional financial management must be carried out transparently and responsibly, following the provisions of the legislation. Efficient, economical, and effective principles are needed. This is solely carried out to achieve a sense of justice, propriety, and benefits for the community (Sofyani et al., 2020).

The administration of government affairs under the authority of the regions is funded and at the expense of the APBD. Regional finances are managed in an integrated system. The system in question is realized as a regional revenue and expenditure budget or APBD, a mutual agreement between the executive and the legislature. The APBD is annually discussed and agreed upon by the Regional Government and the Regional People's Representative Council, which is then stipulated by regional regulations and elaborated in regional regulations (Aituru, 2022).

"Regional Revenue and Expenditure Budget, abbreviated as APBD, is an annual regional financial plan stipulated by a Regional Regulation". APBD is the basis for regional financial management in one current budget year. The APBD contains a plan to implement Regional Revenue and Expenditures in a particular budget year. All regional revenues are aimed at achieving the targets set in the APBD. Likewise, all regional expenditures and charges are carried out based on the nominal targets set out in the APBD. Considering that the APBD is the basis for regional financial management, the APBD is the benchmark for regional financial audit and control activities (Karima et al., 2021). The capacity of local governments to manage regional finances in the APBD directly or indirectly describes the ability of local governments to finance the implementation of their duties. With the increasing role of local governments in managing the APBD, the demands for accountability will also be higher. As the party mandated to manage the APBD, the local government must submit an accountability report. Local government accountability is stated in financial reports that are reported periodically as reference material for the public to ensure good governance. This is intended to assess whether the local government in carrying out its duties is good or not (Desdiani et al., 2022).

Public concern for government agencies related to whether or not they carry out their duties which are the mandate of the community, must be responded to. These hopes and concerns must be answered with real work from government agencies. There is often a discrepancy between people's and government officials' expectations. These differences create a gap in expectations that can lead to disharmony. According to Mahsun, government managers often consider the measure of their success to absorb 100% of the budget. Meanwhile, the community thinks government agencies' success is actual actions that can improve their welfare (Lum et al., 2022).

No matter how big the APBD is, if the policies are not implemented correctly, it can hamper the wheels of government. Policy implementation is a very decisive step in the policy process. This step tests whether the policies taken by the government are correct and realize the expected outputs and outcomes. To achieve the desired results and outcomes, public policies must be implemented, and if not implemented, then the procedure is just an illusion, as emphasized by Udoji, who said: Policy implementation is something important, maybe even more important than policy formulation. Policies will only be in the form of dreams or good plans stored neatly in the archives if they are not implemented (Walinono et al., 2022).

This opinion shows that policy implementation is a program that has an essential and decisive role in tackling problems from policy targets. Some people assume that every policy will be directly implemented as if the implementation of this policy is just going on. The reality shows

that policy implementation is a very complex process. Wahab stated, "Implementation studies will inevitably enter the realm of conflict issues, complicated decisions, and the issue of who gets what, how much from a policy". Including the process of implementing regional financial policies contained in the APBD (Hudson et al., 2019). This case study of the Bandung district government's APBD for the 2018-2020 fiscal year is a study of the implementation of regional financial policies. Policies that cover regional finance in Bandung regency include Bandung Regency Regional Regulation Number 2 of 2007 concerning the Principles of Regional Financial Management; as amended by Bandung Regency Regional Regulation Number 9 of 2015 concerning amendments to Bandung Regency Regional Regulation Number 2 of 2007 regarding Principles of Regional Financial Management. Meanwhile, the report on the realization of the Bandung regency government's regional revenue and expenditure budget for the 2018 to 2020 fiscal year based on Government Accounting Standards is illustrated as follows:

Table 1. Report on the Realization of the Bandung Regency Government's Regional Revenue and Expenditure Budget for the 2018-2020 Fiscal Year

No.	Description	2018 (Rp)	2019 (Rp)	2020 (Rp)
1.	Income	5,259,974,811,369.26	5,730,185,099,102.57	5,345,992,773,326.99
2.	Expenditure	4,560,097,691,605.50	5,153,022,333,530,96	4,830,154,692,840.01
3.	Financing	564,346,375,967.34	688,831,693,976.10	628,427,198,547.71

APBD consists of revenue, expenditure, and financing budgets. The revenue budget consists of regional original income, part of the balancing fund, and other legitimate income. The components of the balancing fund section consist of profit-sharing funds, general allocation funds (DAU), and special allocation funds. One of the revenue components in the balancing fund includes DAU, which allocates central government funds to each autonomous region. This DAU is intended for equitable distribution of regional financial capacity. The large amount of DAU received does not mean that the region is more independent. The Bandung Regency Government is the largest recipient of the General Allocation Fund for districts/cities in our country in the 2018-2020 fiscal year. Therefore, the locus of this research was carried out in the Bandung district because it was suspected that the regional financial policy implementation strategy studied from the development of the 2018-2020 regional revenue and expenditure budget was not entirely expected (Aritenang, 2020).

The administration of government affairs under the authority of the regions is funded and at the expense of the APBD. The obligations of regional government administration in managing regional finances include, in addition to managing funds effectively and efficiently, they are also carried out transparent and accountable. One of the real efforts to create transparency and accountability in regional financial management is the submission of local government accountability reports. The said accountability report at least meets the principles of being on time and is prepared following generally accepted government accounting standards (Sawmar & Mohammed, 2021).

The accountability report for implementing the APBD is submitted in the form of financial information containing a report on budget realization, balance sheet, cash flow report, and notes to financial statements. The Supreme Audit Agency must audit local government financial reports. After being audited by the Supreme Audit Agency, the regional government's economic reports must be submitted to the DPRD no later than 6 (six) months after the end of the relevant fiscal year (Ritonga & Suyanto, 2022).

Regional government financial reports are prepared by combining the financial reports of the SKPD (regional work units) for the appropriate fiscal year. The SKPD financial report is submitted to the regional head through the Regional Financial Management Officer, the Head of the Bandung Regency Regional Finance and Assets Agency. The period of submission of the SKPD budget implementation accountability report to the Regional Financial Management Officer is no later than 2 (two) months after the end of the fiscal year (Pham et al., 2021).

So far, although the opinion of the financial audit body has been achieved without exception, the implementation of work in the Bandung Regency Government has not changed optimally. At the end of the year, there were still situations of vulnerability that could threaten the decline in the opinion of the auditing body that had been achieved. The Local Government Information System has been implemented throughout Indonesia simultaneously, followed by technical guidance, but the work climate of the employees does not show a significant change with the system arrangement that has been made. The employee's work climate has inertia that is difficult to change in maintaining an unqualified opinion from the auditing body (Basyith & Zainal, 2020).

Several conditions affect the financial statements of the Bandung district government. These conditions include, among others, the lack of timeliness in submitting the financial notices of SKPD for the fiscal year. The SKPD's financial reports for the fiscal year are still less accurate. Finally, there is still a lack of complete supporting documents in the financial statements of the SKPD for the fiscal year. Some of these conditions can affect the quality of local government financial reports, which are illustrated through the findings of the examination results as follows:

Table 2. Recapitulation of the Findings of the Examination Results of BPK Representatives of West Java Province, Objects of Auditing the Financial Statements of the Bandung Regency Government for the Year 2018-2020

No.	Year	Examination Findings		Information
		Amount	Value (Rp)	
1.	2018	24	4.740.146.208,00	Finished
2.	2019	14	5.452.156.572,94	Finished
3.	2020	33	5.387.144.707,00	Finished

Based on the existing phenomena, the author will conduct more in-depth research on the Regional Finance and Assets Agency (BKAD) and the Regional Revenue Agency (Bapenda).

BKAD functions as a technical policy maker for regional finance and assets, in addition to the Head of BKAD as a Regional Financial Management Officer (PPKD) and a regional general treasurer (BUD). Bapenda functions as a technical policy maker for regional revenue management. The two Regional Apparatuses are referred to as public bodies at the level of expenditure and income with the consideration that these institutions are local government implementers who are directly involved with the implementation of regional financial policies, which in this context through the financial statements of SKPDs are considered as material for regional government financial statement policies (Retnandari, 2022).

The results of brief observations so far show that the implementation of regional financial policies for the 2018-2020 regional budgets, as seen from the report on the realization of the Bandung regency government's regional funding for 2018 to 2020 fiscal years based on Government Accounting Standards has not been as expected. While the findings of the BPK are the object of examining regional government financial statements, although they are resolved, many results must be followed up (Mosteanu & Faccia, 2020).

The level of technical difficulty in managing balancing funds by regions stems from two different conditions: first, increasing the balance funds in the midst of limited state financial capacity, requiring regions to manage balancing funds optimally. Second, the plurality of the target group or the allocation of balancing funds for various development programs in Bandung Regency requires significant funds, while the amount of balancing funds is not optimal. The scope of the expected behavior change in the context of the region's ability to carry out all of its mandatory authorities, Bandung Regency, which has a relatively larger fiscal capacity, still requires a large DAU. In general, the contribution of the Regional Original Income (PAD) of Bandung Regency is still not optimal to meet the growing need for development funds. A strategy for implementing financial governance is needed where revenue targets are met, and development financing is run efficiently. In this context, the clarity of the policy content of the Bandung Regency's regional financial management strategy has not shown a detailed and systematic explanation (Liu et al., 2022).

Based on initial observations, the problem of implementing regional financial policies in Bandung Regency through the parameters of regional financial independence on average in 2018 is considered not effective and efficient, with the initial calculation results reaching an average of 25.30% with low criteria. With the initial data on regional financial independence, the financial management problem of the Bandung Regency APBD is significant for research. The implementation of regional financial policies needs to be carried out so that the predetermined APBD can be implemented effectively and efficiently to achieve the goals that have been set. Based on the background of the research above, the authors are interested in conducting further research on the Regional Financial Policy Implementation Strategy for the Bandung Regency Government Regional Budget for the 2018-2020 Fiscal Year.

B. LITERATURE REVIEW

1. Understanding Public Administration

According to Dunsire, administration can be defined as direction, governance, implementation activities, directive activities, creation of principles for implementing public policies, activities to analyze, balance, and present decisions, and policy considerations as individual and group work in producing public goods and services and as an arena of theoretical academic work. Herbert A. Simon defines administration as cooperative group activities to achieve common goals. Pasolong defines administration as a planned work carried out by a group of people in cooperation to achieve goals effectively, efficiently, and rationally (Polat & Alkan, 2020).

Furthermore, Pasolong also stated that administrative tasks include identifying needs, defining, and redefining as well as interpreting and using organizational goals as program and service demands, securing financial resources, facilities, staff, and various other forms of support, developing programs and services, developing organizational structures and procedures, using leadership in the policy-making process, developing procedures, and operating principles, evaluating programs and staffing on an ongoing basis, and planning and conducting research, and using leadership in the change processes needed in human service organizations (Xu et al., 2020).

Seeing various opinions related to administration, in general, all forms of organization, private and government, carry out administration. The point is a person or group of people carries out that administration through cooperation to achieve predetermined goals. Of course, this work was carried out carefully, not perfunctory or spontaneously (Reid et al., 2021). The administration scope is comprehensive, from directives and implementation activities to creating principles for implementing public policies, which are then analyzed to produce policy considerations. These jobs are individual and group jobs that produce public goods and services as an arena for theoretical academic work. Administrative activities are carried out not only to realize the goals that have been determined and determined but also to control the dynamic elements of administration, including organizational structure, finance, personnel, and other facilities (Gatto, 2020).

2. Public Policy Concept

James E. Anderson defines policy as the behavior of several actors (officials, groups, government agencies) or a series of actors in a particular field of activity. In line with this, Carl Friedrich stated that policy is an action that leads to the goals proposed by a person, group, or government in a particular environment in connection with certain obstacles while looking for opportunities to achieve the goals or realize the desired goals. Meanwhile, according to Agustino, the policy is a government activity with a purpose, specific values, and a (positive) impact on the broader community (Mintrom, 2019).

From some of the definitions above, the policy has three connotations: the government's behavior, actions and activities in a field, the environment, and the value of certain activities, all of which have a purpose. First, behavior is described as an actor that includes officials,

groups, and government agencies or a series of actors in other activities. Both policies are intended to lead to goals proposed by a person, group, or government in a particular situation. The three government activities are described as positively impacting the community. The overall connotation has a specific field of activity and purpose (Enqvist et al., 2018).

In Dye's well-known definition, public policy is whatever governments choose to do or not to do. This means that Dye wants to state that any government activity is a policy, whether explicit or implicit. Furthermore, according to Chandler and Plano, public policy is the strategic use of existing resources to solve public or government problems. Eystone briefly formulated that public policy is "the relationship of governmental units to its environment" (between the relationships that take place between government units/units and their environment) (Paredes et al., 2022).

According to Subarsono, public policy is a series of intellectual activities carried out in political activities. These political activities can be seen in agenda setting, policy formulation, policy adoption, policy implementation, and policy assessment. It can be said that this public policy process is a colorful and dynamic stage by stage (Cummins, 2018).

3. Policy Implementation Concept

Many assume that implementation is only the implementation of what has been decided by policymakers. No matter how good the plan has been made, it will not be useful if it is not implemented correctly. Policy implementation is crucial in a series of policies because it is legally binding on all parties. This is in line with the opinion of Khan and Khandaker, who stated that policy implementation is one of the essential stages in the policy-making process. This refers to implementing laws, where various stakeholders and organizations work together by using procedures and techniques in carrying out policies for achieving goals. When implemented, multiple policies and development programs the government had well designed were far from what was expected (Sambala et al., 2020).According to Bernadine R. Wijaya & Susilo Supardo, implementation transforms a plan into practice. A truly honest implementer must achieve its goals by considering the existing provisions. Unfortunately, this implementation is often used to serve the interests of a group. Goggin states, "...implementation can be thought of as a process, an output, and an outcome." When translated, implementation can be considered a process, output, and result. Covers various ways of organizing the implementation process, clearly specifying the goals and objectives to be achieved and taking an inventory of the problems to be addressed (Robert et al., 2022).

There are many interests in the implementation of a policy. These interests can at least cause conflict problems. In line with this, Wahab stated: Implementation studies, like it or not, will enter the realm of conflict problems, complicated decisions, and issues about who gets what and how much from a policy. Agustino stated that policy implementation could be interpreted as translating regulations into action. In its application, implementation is a stage of the administrative process of a very complex policy that often contains political content because it is loaded with various interests. Ideally, there is a separation or dichotomy between administrative and political activities. Political work should be completed first, then started

with administrative work. In line with this, Wilson holds the principle: when politics ends, administration begins. This means more or less the administrative work will start when the political work is finished. Or the administration's job is to carry out what politicians have set (Sterner et al., 2019).

4. Organizational Strategy Concept

Strategy is a derivative of the Greek language, namely Strat gos, the commander of the war in that era. In the current sense strategy is a long-term plan followed by designated actions to achieve certain goals which are generally successful. Strategy is the translation and analysis of internal or organizational capabilities, which are then translated into corporate structures. According to Robbins, "The notion of strategy in an organizational context is the determination of various long-term goals and objectives that are fundamental to an organization, followed by the determination of activity plans and the allocation of resources needed to achieve these goals". Strategies are formulated and implemented to achieve the various objectives that have been set while maintaining and expanding the organization's activities in new areas in response to the environment (e.g., changes in demand, changes in supply sources, fluctuations in economic conditions, development of new technologies, and activities of competitors) (Aydin et al., 2020).

There are two very prominent opinions about how strategy is structured in organizations. The first group is those who believe that strategy is an action (planning mode). This is related to the rational model developed by modern perspective thinkers. The second group, called evolutionary mode, sees that strategy should not be a systematic and detailed plan. They know that it is not uncommon for organizational managers to take strategic decisions gradually or step by step, in line with the organization's development, before finally becoming a complete and complete strategy (Priyono et al., 2020).

The rational model of strategy development is a process consisting of three stages:

  a. Analysis
  b. Formulation
  c. Implementation.

At the analysis stage, there are two processes: external and internal. External analysis is the purpose of a review of the environment that produces data on various threats (threats) and opportunities (opportunities). At the same time, the internal analysis reviews the various strengths (strengths) and weaknesses (weaknesses) within the organization itself. These two things are the material for policymakers to formulate organizational strategies. Typically, this analysis process is called a SWOT (Strengths, Weakness, Opportunity, Threats) analysis (Khan et al., 2021).

5. Regional Financial Management Concept

The era of regional autonomy, which started in 2001, has brought up many complex challenges that the government must face in the last and coming years. These challenges can be in the

form of economic chaos, changes in the value of privatization, public services, budget effectiveness and efficiency, limits on tax collections, and demands for community welfare requiring anticipation of government accounting arrangements. This increasing and interrelated turmoil require a serious response from the central and local governments, including budgeting for the public sector. First, the government must think strategically, which has never been done before. Second, the government must translate its inputs into effective strategies for tackling an open environment. Third, the government must develop the rationale needed to lay the groundwork for the adoption and implementation of its strategy. Concretely, it is necessary to harmonize the optimization of PAD and the efficiency of the general allocation of capital expenditures (Talitha et al., 2020).

The form of business carried out by the government is the issuance of Law number 32 of 2004, which has been revised into Law number 23 of 2014 concerning regional government, and Law number 33 of 2004, which has been changed into Law number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments. The law explains the concepts of regional autonomy, accountability, and transparency of regional financial management. Based on these laws and regulations, local governments must determine the region's vision, mission, objectives, strategies, programs, and activities, which must first obtain approval from the DPRD of each Regency/City (Muawanah et al., 2018).

A significant shift towards financial management requires the regions to be independent in managing their households with various strategies, allocations, and spending priorities. Facts on the ground show that the weakness of planning for the distribution of expenditures leads to inefficiency in government performance. The inefficiency of government performance is due to a lack of transparency, less correctness, less speed, and less accuracy in preparing accountability. This will open the possibility of fraud, deviation, abuse of power, corruption, collusion, nepotism, and other negative actions. To meet these demands, the government is trying to improve its performance through efforts to improve government management that prioritizes services to the public (Chu et al., 2019). Services to the public can be achieved if all activities carried out by local governments are transparent and accountable. One of the substantial efforts to achieve transparency and accountability in regional financial management is submitting government financial accountability reports that comply with the principles on time and are prepared following Government Accounting Standards (SAP). As has been regulated in Law number 17 of 2003 concerning state finances, which requires the form and content of the accountability report for the implementation of the APBN/APBD to be prepared and presented following SAP (Masuku & Jili, 2019).

6. Research Theory Framework

Conceptually, public administration as a discipline that studies the governance of governmental activities in a country within the scope of organized government agencies or institutions, is driven by human resources. While in the implementation process there are policies, management, control and management processes and provide services to the community. The locus of public administration itself is the public interest (public interest) and public affairs, while the focus of public administration is organization and management. Then in the

management aspect there is a Supervision function which is one of the important managerial/control functions in the organizational environment as an error checker, deficiencies that hinder organizational activities.

The relationship between the general theoretical basis (Grand Theory), namely Public Administration (Public Administration) which has links with the middle-Range Theory (Middle-Range Theory) Public Policy. The intermediate theory is none other than the scientific parent of the applied theory used in this study, namely the Regional Finance Implementation Strategy. Correspondence between the general theory and the intermediate theory, as well as the relationship with variables in application theory. In general terms, this research includes several fundamental discussions of governance, namely theoretically placing public administration in a grand theory, public policy as a middle-range theory, and the implementation of regional financial policy as operational theory, illustrated in Figure 1 as follows:
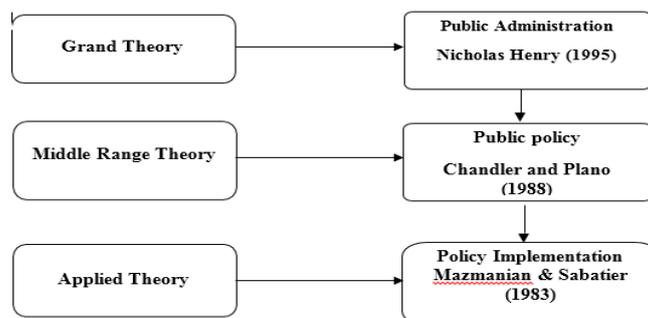

Figure 1: Related Theory Schematic

Grand Theory Nicholas Henry (1995) defines public administration as a complex combination of theory and practice, with the aim of promoting an understanding of government in relation to the people it governs, and also encouraging public policy to be more responsive to social needs. In other words, public administration also encourages management practices to be carried out with effectiveness, efficiency and better meet the needs of the community.

Middle Range Theory used by Chandler and Plano's (1988) public policy theory is the strategic use of existing resources to solve public or government problems. In this case, the government utilizes various instruments it has to address public problems. Even considers that public policy is a form of continuous investment by the government for the benefit of powerless people in society so that they can live and participate in government.

The applied theory used is Mazmanian & Sabatier Policy Implementation (Subarsono, 2015). Which explains that there are three groups of variables that affect the success of implementation, namely: (1) the characteristics of the problem (tractability of the problem); (2) Characteristics of policies/laws (ability of statute to structure implementation); (3) Environmental variables (non-statutory variables affecting implementation). Variable Characteristics of the Problem: (1) The level of technical difficulty of the problem in question; (2) The level of plurality of the target group; (3) The proportion of the target group to the total

population; (4) The scope of the expected behavior change. Variables of Policy Characteristics: (1) Clarity of policy content; (2) How far the policy has theoretical support; (3) The amount of financial resource allocation for the policy; (4) How much is there linkage and support between implementing agencies; (5) Clarity and consistency of the rules is in the implementing agency; (6) The level of commitment of the apparatus to the policy objectives; (7) How broad is the access of outside groups to participate in policy implementation. Policy Environment Variables: (1) Socio-economic conditions of the community and the level of technological progress (2) Public support for policies (3) Attitudes from constituent groups (4) Level of commitment and skills of officials and implementers.

C. METHOD

This research will be carried out using mixed methods. This method is used to understand a problem in this research better. The data used in this study were obtained from qualitative observations, questionnaires, interviews, literature studies, and analysis of APBD financial ratios by comparing the results achieved from one period to the previous period. After the research data has been successfully collected, then the data will then be analyzed by the researcher so that the results to be achieved can be found.

D. RESULT AND DISCUSSION

1. Analysis Interpretation Results

The results of qualitative research on the Regional Finance and Assets Agency of Bandung Regency regarding regional financial strategies for APBD management were obtained by conducting in-depth interviews, especially with critical informants, namely the Head of BAKD, Head of Bapenda, and supporting informants, namely the Secretary and Head of Finance, Head of Regional Assets and Head of Reporting and Accounting. From the results of interviews related to indicators of policy implementation and APBD management, it is seen from the aspect of whether or not the problem is easy to control. The ability of policies to structure the implementation process, aspects outside the implementation process, the level of commitment and skills of the apparatus and implementers, as well as the stages of implementation are still not running effectively and efficiently, which correlates to the management of the APBD that has not run optimally.

The results of the Focus Discussion Group (FGD) conducted by researchers with Regional Apparatus Organizations (OPD) and related stakeholders, there are several problems obtained to be used as a basic reference in exploring issues that hinder the independence of regional development originating from regional revenues. First, in general, the implementation of regional financial policies in the management of the APBD has not been effective, this statement is recognized and affirmed by the Head of BAKD, who represents the Regional Finance Implementor OPD. Second, the implementation of supervision over the management of APBD and Regional Assets is still not optimal, and this factor is caused by the inadequate number and competence of human resources of BKAD officers/employees. Third, the FGD, which was held and attended by several OPD and related stakeholders, responded positively to

the concept of regional financial strategy and was willing to be directly involved in assisting the activities of formulation, implementation, and supervision by the Bandung Regency BKAD to achieve optimization of regional original income and control of regional assets.

Some of the findings from the qualitative analysis that caused the implementation of the APBD in BKAD and the Bandung Regency Bapenda has not been running effectively and efficiently are as follows:

a. Technical difficulties have not been well resolved at BKAD and Bapenda.

b. The quality of human resources for BKAD macro financial planning officers is insufficient to carry out regional fiscal planning.

c. The quality of human resources for Bapenda tax collectors and administrators is not sufficient

d. Regional revenue management SOPs have not been appropriately implemented.

e. Low employee understanding of the policies/rules/SOPs in BKAD and Bapenda.

f. The integration and support between implementing agencies have not been maximized internally (coordination) and externally (collaboration) with other agencies.

g. The low allocation of financial resources for the distribution of regional development supports the achievement of the human development index.

h. The low commitment of the apparatus to policy objectives.

2. Factors That Cause the Implementation of Regional Finances to Be Ineffective

Some of the factors causing the implementation of regional financial policies has not been effective, among others, are explained as follows:

a. Aspects of Easy or Not for Problems to Control

At the level of practice in the field, planning, implementation, and budget transparency at the Bandung Regency BKAD, there is no synergy between regional financial institutions in carrying out institutional coordination in the implementation of the APBD; either in the performance of tasks, quality of work or behavior. Aspects of budgeting: 1) There are still irregularities in the monthly fund withdrawal plan; 2) Inaccurate and less timely settlement of invoices; 3) Absorption of the budget is carried out less proportionally following the ideal target; 4) There are still returns/returns in the distribution of funds; and 5) Less than optimal management of advances/inventory.

Not yet effective redistribution of budget changes that concern the real needs of the community; During the condition of people's low purchasing power, budget changes should be a solution to distribute aid quickly, the absorption of the allocated budget as a social safety net, not only helps the poor but also has a positive effect on the MSME and IKM sectors. Aspects of implementation/treasury: 1) Delay in the implementation of activities, resulting in low

absorption; 2) Officials' doubts in starting activities due to poor planning; 3) Number of budget revisions/shifts; 4) Scheduling of activities is not appropriate; and 5) Submission of accountability reports is not timely. In the aspects of administration/accounting/reporting: 1) Weakness of double entry accounting mastery; 2) Reconciliation of regional treasury with the authority of BUD is not regular; 3) Slow removal of BMD; 4) Data processing is not yet based on IT; and 5) Late submission of reports.

Referring to Koswara, it is not only a mechanism how for translating policy objectives into routine procedures and techniques, but further than that, it involves various factors ranging from resources and relationships between organizational units to certain political groups who may disagree with established policies (Trullen et al., 2020).

Thus, the purpose of the budget implementation program must touch the community/population, and the program must be good in its formulation and well implemented.

b. Aspect Policy ability to structure implementation process

Some BKAD asset management officers still do not meet competency standards, and this is because regional asset management employees/officers have not attended training and education and special technical guidance on regional assets from competent sources in regional assets.

Whereas referring to Suwanda, that commitment to competence is part of an integrity pact whose function is to identify and determine the activities needed to complete tasks and functions as well as develop competency standards. Among other things, organizing technical training/guidance (bimtek) to help employees improve competence (Gasco-Hernandez et al., 2018).

Because problems in the field are becoming increasingly complex due to changing conditions, technical guidance or HR development training is a standard and a necessity to be held within the organization so that BKAD officers/employees have the skills and competencies.

c. Aspects Outside the Policy Implementation Process

There is a communication gap between the implementing apparatus of the Regional Finance and Assets Agency of Bandung Regency with related agencies. It is known that, in reality, the intensity of communication is minimal. This can be seen from the low number of meetings held regarding consultation, classification, or coordination between BKAD, Bapenda, and SKPD-SKPD related to APBD implementation policies (Rachmawati et al., 2022).

d. Aspects of Real Impact Policy Output

There are still several development programs, including the implementation of the revised APBD development budget implemented in the community, which have not been able to run and can be accepted as they should be. Not a few implementations of development budget implementation policies do not get support from the community environment because the impact of policies that are not following regulations/policies is contrary to the reality in the

field. For example, many projects for improving sanitation and providing clean water at the village/ ward level do not comply with the project's specifications or quality standards, so the output does not match the community's needs and seems to be a waste of a budget which is very limited. So it is very detrimental to the target group of the policy community. This is as emphasized by Grindle in Agustino that the policies implemented are not necessarily effective if they do not show success in the process, that is, the suitability of policy implementation with designs that refer to policy actions and policy objectives, namely the impact and level of change and target group recipients (Desdiani et al., 2022).

e. Aspects of Difficulty in fostering employees/officers

Some of the officers in Bapenda who manage local taxes are not stated civil servants (ASN) but are contract employees. Conversely, if the officer who manages taxes is an ASN, then formally has the guarantee of getting competency development, proper coaching, and under clear rules following Law No. 5 of 2014 concerning State Civil Apparatus and accommodated in Regulation of the Head of LAN No. 10 of 2014 concerning ASN Competency Development which clearly explains that every ASN is entitled to a minimum competency development of 20 hours of lessons per year.

This employee competency development does not have to go through classical training but can be circumvented by participating in various non-classical activities, such as assignments, guidance, and internships. For this reason, employees with ASN status have been guaranteed by legislation to have the opportunity to participate in competency development, which is expected to provide skills and abilities that are much better, insured, and can be accounted for.

Suwanda explained that the preparation and implementation of human resource policies must include establishing procedures from recruitment to termination by tracing the background of prospective employees, then each unit leader carrying out adequate periodic supervision according to the guidelines or SOPs (Somarathna, 2020).

f. Aspect Good working relationship with relevant government agencies

The implementation of coordination at the Bandung Regency BKAD has not been carried out with formal rules that are formulated and regulated to carry out a form of vertical, horizontal coordination between other agencies or stakeholders in achieving agreements or goals, including planning, implementation, synchronization, law enforcement in supporting the performance of the budget to realize regional financial independence. However, the direction toward technical coordination was naturally carried out by the Bandung Regency BKAD, which means that there were no special provisions or agreements for coordinating cooperation with other parties.

3. Regional Financial Policy Implementation Strategy

Judging from the previous explanation regarding the strategy for implementing regional finance in BKAD and the Bandung Regency Bapenda, they have not effectively implemented the practice of regional financial management strategies (APBD). This is because it has not implemented a work culture that is Transparent and Accountable (A&T) and has not been

institutionally rooted (there are still many fears and reluctance of the apparatus in disclosing public information to the public); The regional regulation on APBD management does not yet cover the substance of public transparency and accountability; Limitations and the number of human resources who are ready to prepare and submit financial reports following government accounting standards; The lack of seriousness of most of the SKPD's PPK (Financial Administration Officers) in carrying out the financial management process; Readiness of supporting facilities and infrastructure such as information technology such as hardware and software and their operators; The planning process that precedes the budget is still largely a formality; and the performance management system has not run well. There are still many SKPDs stuck with the old pattern of programming, such as proposing as many programs as possible, made as beautiful as possible and not based on the existing planning system; The Bandung Regency Government, through coordination with BKAD, Bapenda, and related agencies has not carried out financial reporting by developing information media through regional websites that the public can access. The vision and mission of the SKPD have not been able to be used as a force to move the organization to become transparent and accountable because 1) the vision and mission are too abstract and difficult to understand; 2) Staff are not involved in the formulation of the SKPD's vision and mission; 3) Poorly communicated to staff; and 4) More of a mere slogan. There are still deviations in budget execution because some officials consider the performance budget system rigid and insensitive to community problems such as natural disasters or other needs that were previously impossible to budget for in the APBD.

Seeing these conditions and problems, the Bandung Regency BKAD, including Bapenda and related agencies, needs a breakthrough to form a budget management strategy in Bandung Regency which refers to strategies and efforts to improve Human Resources (HR) to increase Financial Transparency and Accountability.

The regional financial policy strategy aims to realize the ideals of regional development with the intermediate achievement of learning the regional financial independence ratio. The series of regional economic effectiveness strategies for Bandung Regency in implementing the APBD will run effectively by increasing human resources, building staff and leadership commitment, updating work procedures, and updating financial information technology in stakeholder organizations BKAD, Bapenda, and SKPD as the spearhead of policy. The existing condition of the vision of the existing SKPD is not internalized, so it cannot drive reforms at the SKPD level, and there is a communication gap between superiors and subordinates. So the A&T strategy with increasing human resources in this study aims to adjust the organization's vision and mission in the context of superior human resources with environmental changes, redefine the vision so that it can be lived and drive reforms, and dilute superior and subordinate communication. Then the strategy is to redefine the new vision by involving all key leaders, assistants, BKAD leaders, Bapenda, SKPD, and staff. The supporting strategy is an effort to develop human resources in a planned and measurable manner through structured education and professional training in regional finance, micro, and macro-finance professional development workshops, regional fiscal seminars, and training to instill confidence in the benefits of increasing human resources and encouraging open communication. The result is in

the form of new human resources skills that are more in line with changes in the regional financial policy environment in the implementation of the APBD, with the promise of upholding commitment, and integrity, as a guide for the formulation of goals and plan for reform of the regional financial management bureaucracy.

E. CONCLUSION

This study found that the level of independence, dependence, and the degree of fiscal decentralization in the Bandung district had not been optimally achieved. The factors that cause the implementation of the Bandung district's regional financial policy have not been effective, among others, whether or not the problem is controlled easily, aspects of the ability of policies to structure the implementation process, elements outside the policy implementation process, factors of the real impact of policy outputs, and aspects of difficulty in fostering employees/officers. Therefore, implementing regional financial management policies in Bandung Regency requires an appropriate strategy in accordance with the dynamics of local problems and challenges.

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