

# MEASUREMENT OF SPBE PERFORMANCE IN THE INDONESIAN BUDGETING SYSTEM

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## Abstract

The approach used by this study is a descriptive qualitative method to measure the performance of SPBE if implemented into the budgeting system and provide solutions when SPBE does not show good performance. This study was conducted by field screening at the Regional Government Budget Team (TAPD) in 29 regencies and 6 cities under the province of Central Java. The results obtained SPBE performance only reached 42% where in order to reach 100% the implementation of SPBE must be increased by 58%. To do that the implementation must contain elements of Value for Money (VFM) which has the principles of efficiency, effectiveness and economy. The results of this study provide a solution, namely improving coordination and collaboration between business processes and electronic systems in the form of data and information exchange, as well as SPBE services. Improving integrity and providing more supportive access. Local governments must strive to increase the availability of competent human resources. With this improvement, SPBE is expected to be able to contribute significantly to the management of budgeted costs so that the process to the outcome is in line with the budgeted cost (not less and not more).

## 1. INTRODUCTION

All countries in the world currently use a budgeting system to manage finances in their respective countries. So is Indonesia. The budgeting system in Indonesia is implemented according to applicable laws.

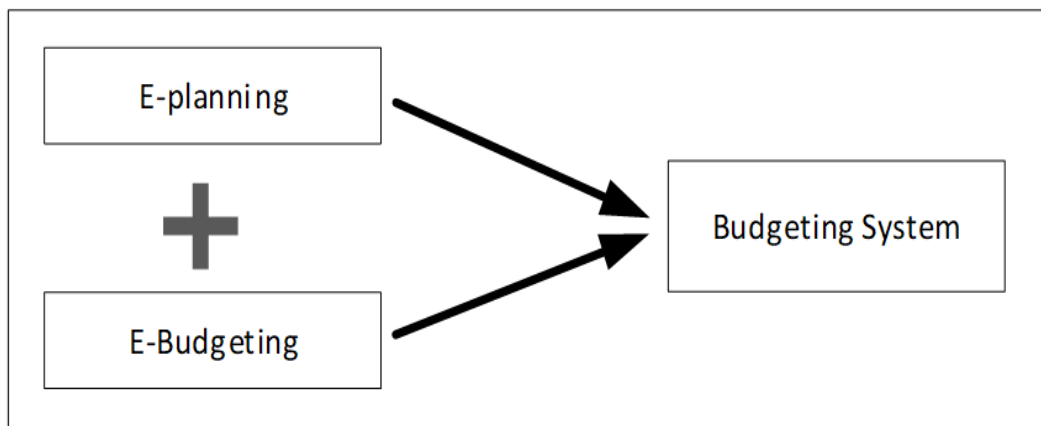
There are two references regarding the budgeting system. First, Article 23 of the 1945 Constitution which provides an understanding that the budgeting system in Indonesia is a form of state financial management for the prosperity of the people. Second, Law Number 17 of 2003 which states that the budgeting system in Indonesia is a government performance plan that contains state revenue and expenditure as well as budget financing (Widodo and Zunaidi, 2022).

At the lower level, at the provincial and district levels, the budgeting system already uses an information system in the form of an application. According to the Regulation of the Ministry of Communication and Informatics Number 41/PER/MENKOMINFO/11/2017, the management of this technology is described as follows:

First, system planning, namely identifying the organizational needs required and formulating planning and development of general budget information systems and budget ceilings. Reviewing planning and budgeting issues needed by the government in preparing budgets and spending and preparing work plans and budgets for Government Work Units. Second, investment management is a process that regulates investment or spending management for Information and Communication Technology

(ICT). Third, system realization is the process of selecting, determining, developing/procuring ICT Technology and managing ICT projects according to the needs and available budget. Fourth, the operating system is a process for handling ICT operations that guarantee the level of service and security of the system being operated. The operating system is adjusted to the effectiveness and efficiency as well as applicable laws. Fifth, the maintenance system is the process of handling the maintenance of ICT assets and supporting their sustainability and effectiveness by using comprehensive, transparent efforts and improving human resources.

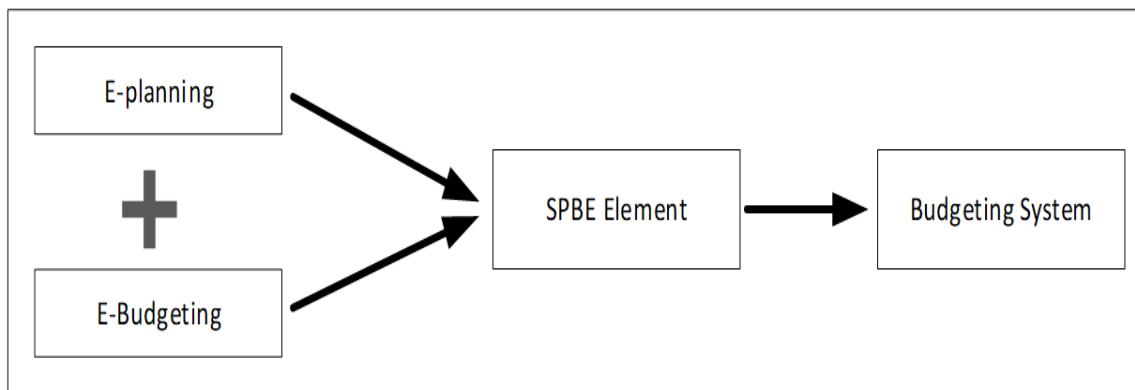
To fulfil the above, in the 2000s the local government began to create e-planning and e-budgeting applications to support the implementation of the budgeting system. The structure of the budgeting system can be seen in the image below.



**Figure 1: Budgeting System Design**

The budgeting system currently implemented is a performance-based budgeting system. The performance of the budgeting system can be said to be good if it has met the guidelines set by the regional government, namely the electronic-based government system (SPBE). This is regulated in Presidential Regulation Number 95 of 2018 which states that the existence of an integrated SPBE framework will guarantee the implementation, orderliness, and control of the implementation of the budgeting system.

SPBE must meet several basic requirements. Effectiveness, namely optimizing the use of SPBE supporting resources that are effective according to needs. Integration, namely the integration of resource use. Continuity, namely planned, gradual, and continuous sustainability according to its development. Efficiency, namely optimizing resource utilization. Accountability, namely clarity of SPBE functions and responsibilities. Interoperability, namely coordination and collaboration between business processes and between electronic systems, in order to exchange SPBE data, information, or services. The last is security, namely confidentiality, integrity, availability, authenticity, and non-repudiation of SPBE supporting resources. The indicators above are very important to determine whether an activity or program has been implemented effectively and efficiently (Presidential Regulation Number 95 of 2018).



**Figure 2: Budgeting System Design with SPBE**

The research discussed in this article was not conducted in all parts of Indonesia but was specifically conducted in Central Java Province. The implementation of SPBE in Central Java Province was carried out by the Regional Authority under it, covering 29 regencies and 6 cities. The key actors involved in the management of regional government budget preparation are the Regional Head as the main decision maker in determining activities; Regional Secretary as the coordinator of the Budget Team (TAPD) in conveying the General Budget Policy (KUA); TAPD as the KUA compiling and compiling the Budget Work Plan (RKA); Regional Apparatus Work Unit (SKPD); Regional Planning and Development Agency (BAPPEDA) and the Regional Finance and Asset Management Service (DPKAD) which are the implementers of budget management policies (Suwanda, et al., 2018).

## 2. PROBLEM STATEMENT

Based on data from the Ministry of State Apparatus Empowerment and Bureaucratic Reform (2018) on the Evaluation of Electronic-Based Government Systems (SPBE) in 2018, it was revealed that SPBE implemented in Indonesia, especially Central Java, is currently stated as not in accordance with the applicable budget system. The operational system is not yet clear, resulting in low system performance. SPBE performance only achieved a score of 0.42, which means that only 42% of performance was implemented.

In the book Sahertian (2010) states that Percentage scales can be used to assess the good or bad performance. The performance percentage scale can be seen in the table below.

**Table 1.1: System Performance Evaluation**

No	Performance Scales (%)	Categories
1	$0 < x \leq 20$	Very Less
2	$21 < x \leq 40$	Less
3	$41 < x \leq 60$	Enough
4	$61 < x \leq 80$	Well
5	$81 < x \leq 100$	Very Good

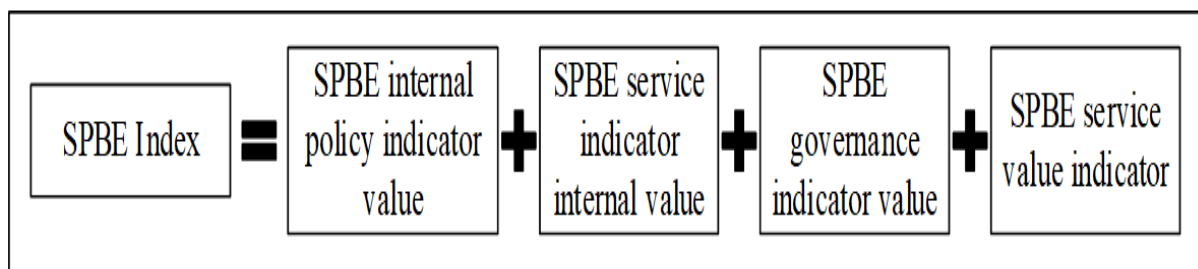
As stated above, the performance of SPBE in the regional government budgeting system in Indonesia, especially Central Java only reached 42%. When compared to the performance scale percentage from the table above, it can be seen that SPBE's performance is only in the sufficient category and is still below average. To be said to be good, SPBE's performance must be at least 61% or more.

### 3. LITERATURE REVIEW

Electronic-Based Government System (SPBE) is the use of information and communication technology in running a government system (Presidential Regulation Number 95 of 2018).

SPBE is one of the supporting indicators for the success of the budgeting system because SPBE contains elements of public information services so that it must be easily accessible and can be responded to by users clearly, safely, and easily in order to provide excellent information services (Mulyadi, 2018).

Effective and efficient measurement of information and communication elements can use the SPBE Index. The formula for effective and efficient measurement of SPBE is as follows.



**Figure 1.3: SPBE index formulae**

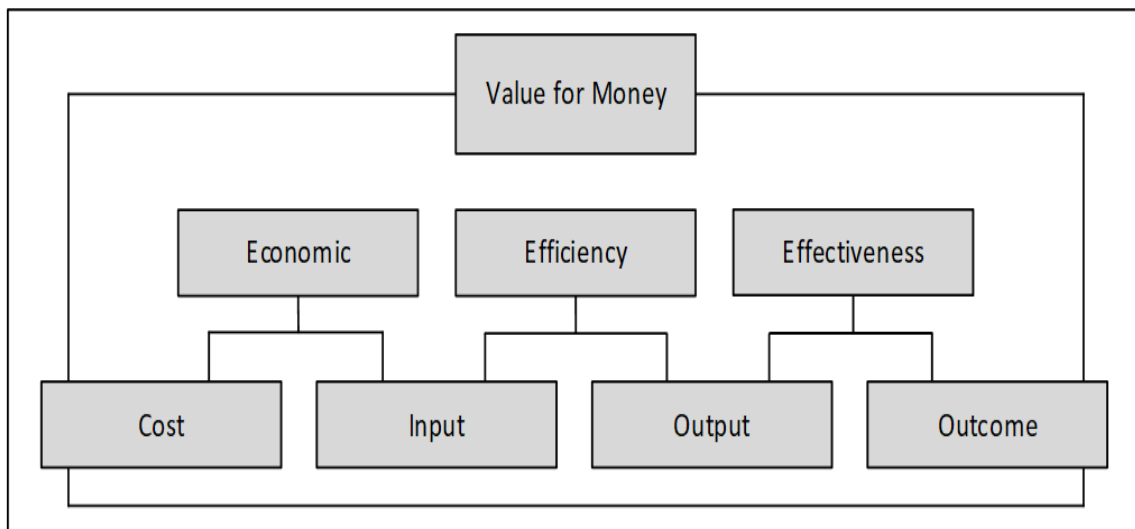
Efficiency and effectiveness are carried out by evaluating public sector budgeting by considering the value of money. An indication of successful budget implementation is an increase in public services and welfare (Moroki and Rawung, 2023).

This will only be achieved if regional budgeting is managed by considering the concept of value for money which includes: non-frugality will show the use of inputs with prices, quantities or qualities that are higher than the standard; ineffectiveness is oriented towards achieving outcomes, namely the existence of activities that do not provide benefits or results as planned causing the system not to achieve the expected goals (Moenek and Suwanda, 2019).

Effective and efficient regional financial management procedures are used so that programs can be planned and implemented to achieve government goals at the lowest possible cost and in the fastest possible time. The government must always strive to achieve optimal results by utilizing available funds and resources efficiently so that there is no waste of finances and resources (Moenek and Suwanda, 2019).

The concept of Value for Money (VFM) means that every money spent must be truly appreciated and used as well as possible. The concept of VFM consists of 3 main elements, namely economy, efficiency, and effectiveness (Mahmudi, 2020).

Below is the concept of value for money according to Saleh et al (2020).



**Gambar 1.3: Value for Money**

#### **4. METHODOLOGY**

The method used in this study is a descriptive qualitative method. Descriptive qualitative research is a descriptive study and tends to use analysis because each process has a subjective perspective meaning that is more emphasized in this method (Sugiyono 2018).

The purpose of the qualitative descriptive method is to analyse, describe, and summarize various conditions and situations from various data collected from observations of the problems being studied ( et al. Fadillah, 2022).

A qualitative descriptive study is an important and appropriate design for research question that are focused on gaining inside about a poorly understood research area rather than specific phenomenon. Qualitative descriptive study seeks to describe rather than explain, explanatory framework, and theories are not required to explain study and its result (Ayton, 2023; Fadillah et al., 2024).

#### **5. DISCUSSION**

Based on the problem statement, it is known that SPBE's contribution to the performance of the Indonesian budget system only reaches 42%. Some of the problems found are: Utilization of SPBE supporting resources that are not yet effective according to needs. Integration of resources is still not effective so that waste occurs, Implementation of the existing budget system that is not yet on target and not in accordance with the guidelines set by the Indonesian Regional Government. In addition, it was also stated in the Evaluation of the Electronic-Based Government System (SPBE) in 2018 that the SPBE implemented in Indonesia, especially Central Java, is currently stated as not in accordance with the applicable budget system (Ministry of Empowerment of State Apparatus and Bureaucratic Reform, 2018). The operational system is not yet clear, resulting in low system performance. SPBE performance only reached a score of 0.42, which means that only 42% of performance has been implemented.

Improving SPBE performance is not easy. To achieve performance above the excellent category above 61% or even the peak of 100%, SPBE performance must be

improved. This is not an easy thing to do in a short time. However, this is not impossible to do as long as it is still within the corridor of adjustment with the principles of economy, efficiency, and effectiveness.

When connected with the SPBE elements that include information and communication, the budget system in Indonesia should also adopt and input the aspirations of the community with the aim of building a budget system that is right on target. When the implementation of SPBE in the Indonesian budget system shows ineffective and inefficient performance in its implementation, the community as one of the contributors of aspirations in the creation of SPBE will be able to directly see, feel and provide responses. The assessment of SPBE performance by the community affects public trust in the government, especially in the budgeting sector.

Information Transparency Information needs to be provided in the budgeting system so that it is easily understood by the public. This data is very necessary and can affect all aspects, namely planning of planned activities, implementation, and synchronization between estimated funds in the budgeting cycle with activities that have been determined (Rahajeng, 2016).

The solution to improve SPBE performance in the budgeting system is to improve coordination and collaboration between business processes and between electronic systems in the form of data and information exchange, as well as SPBE services. The confidentiality of budgeting data currently meets the requirements because each input to the budgeting system uses a user and password that can only be accessed by responsible users. Improving integrity and providing more supportive access must be done. Local governments must strive to increase the availability of competent human resources.

## 6. CONCLUSION

The current level of SPBE performance in local governments in districts/cities in Central Java province, Indonesia is at 42% or is only considered sufficient. The level of performance still needs to be improved to be above the good criteria, which is above 61%, or even perfect reaching 100%.

Things that can be improved are integration in terms of integrating resources in an integrated, gradual and sustainable manner according to their developments in accordance with the program targets in the budget system implemented by the Regional Government in Indonesia. This has been regulated in the Circular of the regional head in each province in Central Java, Indonesia

Increasing integration in terms of providing access and competent human resources is also an important component in supporting the implementation of SPBE. In addition, improving coordination and collaboration between business processes and between electronic systems in the form of data and information exchange, and in terms of SPBE services. If this can be done, it is hoped that SPBE performance can improve.

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