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Comparative analysis of budget implementation performance of the National Narcotics Agency in the Bali Region

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Abstract--The aim of this research is to determine the quality of National Narcotics Agency budget implementation for the Bali Region as well as strategies for improving budget implementation performance. The research data collection method used document observation and interviews conducted with 23 (twenty-three) National Narcotics Agency financial management officials for the Bali Region. The sample determination method is total sampling or saturated sampling. The data analysis technique in this research uses comparative descriptive data analysis techniques regarding the performance of the National Narcotics Agency budget implementation for the Bali Region for 2020-2022. The research results show that in 2020, the quality of budget implementation performance of all National Narcotics Agency work units for the Bali Region was in the good category. In 2021 and 2022 the quality of budget implementation performance will increase to the very good category. The results of the quality of budget implementation exceed the performance targets set in the Performance Agreement. Strategies that can be used to improve budget implementation performance include preparing accurate plans, regular monitoring of budget implementation, reward and punishment, flexibility in budget implementation, good communication and coordination and high commitment. This research provides an illustration that the Bali Region National Narcotics Agency has been able to manage the budget with better budget implementation performance from year to year. Management of state finances should always comply with regulations, be effective and efficient so that it can be beneficial to society in accordance with the goals and ideals of the state.

Keywords---State Revenue and Expenditure Budget, Quality of Budget Performance and Budget Implementation Performance Indicators.

Introduction

During the period 2020 to 2022, the National Narcotics Agency Bali region faced several challenges in budget implementation due to the current year's budget reserve policy from the Central Government. In 2020 and 2021, a budget refocusing policy was issued in accordance with the Instruction of the President of the Republic of Indonesia Number 4 of 2020 dated 20 March 2020 and Letter from the Ministry of Finance Number: S-30/MK.02/2021 dated 21 January 2021 to support the handling of the Covid-19 pandemic. After the Covid-19 pandemic, in 2022, the Ministry of Finance again issued a budget policy in the form of automatic adjustment in accordance with the Ministry of Finance letter Number: S-458/MK.02/2022 dated 23 May 2022 in order to face conditions of global economic uncertainty and geopolitical conditions in that year, thereby adding to researchers' considerations for conducting research on the implementation of the Bali Region National Narcotics Agency budget from 2020 to 2022.

Research on budget performance has been carried out in several countries, including McGill (2016) on "Performance Budgeting" which in his research explains the process of implementing performance budgeting with a shift in input-based budgeting to output which is not accepted and practiced in Tanzania. Research by Nispen et al. (2006) who researched "Performance Budgeting in the Netherlands" which stated that most departments had difficulty making the expected budget performance results measurable. Holzer et al. (2016) on "Implementing Performance Budgeting at the State Level: Lessons Learned from New Jersey" with the results of significant progress in implementing performance budgeting in New Jersey. Lu and Willoughby (2015) on "Performance Budgeting in American States: A Framework of Integrating Performance with Budgeting" which explains that Performance Budgeting is stronger in practice in states that have performance budgeting laws.

Meanwhile, research on budget implementation performance using IKPA that has been carried out in Indonesia includes Sodikin (2021) regarding "An analysis of budget implementation performance measurement using IKPA" with the results that obstacles were still found in implementing IKPA, including the need to prepare a satker activity calendar in 1 (one) clear year and becomes the basis for determining the fund withdrawal plan. Arifin and Subagja (2022) discuss "The Effect of Compliance on Budget Implementation Performance Indicators (IKPA) on Budget Implementation Through the Effectiveness of Activities Implementation At The Inspectorate General of The Ministry of Manpower of The Republic of Indonesia" which states that there is an influence of compliance budget implementation performance indicators (IKPA) on the effectiveness of activity implementation and budget implementation. Alwi (2022) "Analysis of LLDIKTI Region II Budget Implementation Performance Indicators (IKPA) for 2018-2020 Fiscal Year" with research results that LLDIKTI Region II has made maximum efforts to implement all Budget Implementation Performance Indicators (IKPA)

with good 2018 IKPA scores, 2019 was very good and 2020 was very good. Laili, N. & Citra (2022) who discussed "The Effect of Performance Measurement on Budget Execution with the Formulation of Performance Indicators on Budget Implementation of KPPN Blitar Service Scope which said that the formulation of the old IKPA and new IKPA assessments simultaneously had a significant positive effect regarding budget implementation within the scope of the work unit of the state treasury services office (KPPN).

Seeing the important role of IKPA as a form of supervision and assessment of state financial management in realizing state goals, and the existence of APBN policies such as budget refocusing due to the Covid 19 pandemic in 2021 and 2022 as well as automatic adjustment in 2022 due to global geopolitical conditions, this is a consideration for researchers to conduct performance analysis budget execution. In this research, researchers want to know more about the implementation of budget implementation performance by analysing each indicator of the National Narcotics Agency Bali Region budget implementation performance assessment from 2020 to 2022 and making comparisons with the budget implementation performance targets. Apart from that, researchers want to know the constraints and obstacles in budget implementation as well as strategies that can be used to improve the performance of the National Narcotics Agency Bali Region budget implementation for 2020-2022.

Methods

The location of this research was carried out at the National Narcotics Agency for the Bali Region by accessing budget implementation data from the National Narcotics Agency for the Bali Region. The time of this research is in the period 2020 to 2022.

This research design uses a comparative method to find out and analyse the comparison of budget implementation performance based on the IKPA value in the Bali Region National Narcotics Agency work unit. This research uses a descriptive quantitative and qualitative approach by analysing each budget implementation performance indicator on the quality aspect of budget planning, the quality aspect of budget implementation and the results aspect of budget implementation.

The population in this research is all work units of the National Narcotics Agency in the Bali Region from 2020 to 2022. The sample determination method in this research is total sampling or saturated sampling where the entire population in this research is used as a sample. Consideration of the entire population as a sample so that it can represent the overall performance of the Bali Province National Narcotics Agency budget implementation. The number of work units of the National Narcotics Agency for the Bali region from 2020 to 2022 is 7 work units, including National Narcotics Agency Bali Province, National Narcotics Agency Denpasar City, National Narcotics Agency Badung Regency, National Narcotics Agency Gianyar Regency, National Narcotics Agency Buleleng Regency, National Narcotics Agency Karangasem Regency and National Narcotics Agency Klungkung.

The data analysis technique in this research uses descriptive-comparative data analysis techniques to help describe, show or summarize data and compare one or more variables in different samples and times with the aim of describing problems more clearly and systematically based on existing facts in the field about performance implementation of the National Narcotics Agency budget in the Bali region for 2020-2022.

Result and Discussion

IKPA Value of the National Narcotics Agency for the Province of Bali

Based on the analysis of the IKPA value of the National Narcotics Agency for the Bali Region in 2020-2022, 6 (six) work units experienced an increase every year, including the IKPA value of the National Narcotics Agency Denpasar in 2020 of 92.61 in the good category, increasing by 7.8 percent to 99.85 in the category very good in 2021 and in 2022 the National Narcotics Agency Denpasar IKPA score rose again by 0.13 percent to 99.98 in the very good category. At the National Narcotics Agency, Badung, the IKPA value in 2020 was 89.21 in the good category, in 2021 it rose 9.42 percent to 97.62 in the very good category. This increase will also take place in 2022, increasing by 0.68 percent to 98.29 percent in the very good category.

Furthermore, at the National Narcotics Agency, Gianyar, the IKPA value in 2020 was 92.53 percent in the good category, increasing in 2021 by 5.58 percent to 98.11 in the very good category, and in 2022, the National Narcotics Agency, Gianyar's IKPA value increased again by 0.92 percent to 99.02 in the very good category. The National Narcotics Agency Buleleng also experienced an increase in the IKPA value from 2020 of 93.20, increasing by 0.05 percent to 98.56 and in 2022 the IKPA value of the National Narcotics Agency Buleleng increased by 0.59 percent to 99.15.

The increase in the IKPA value also occurred at the National Narcotics Agency Karangasem from 2020-2022 with the IKPA value in 2020 amounting to 92.91 in the good category, in 2021 it rose 4.86 percent to 97.43 in the very good category and in 2022 it rose to 98.42 in the category very good or increased by 10.16 percent. Furthermore, at the National Narcotics Agency Klungkung, the IKPA value in 2020 was 89.18, with an increase of 10.20 percent to 98.28 in the very good category in 2021. In 2022, the National Narcotics Agency Klungkung IKPA value increased again by 1.43 percent to 99.69.

Apart from the increase in the IKPA value of the 6 (six) work units, there is 1 (one) work unit, namely the National Narcotics Agency for Bali Province, whose IKPA value does not always increase from 2020-2022. The Bali Province National Narcotics Agency IKPA score in 2020 was 92.13 with the good category only increasing in 2021, namely by 6.97% to 98.56. However, this increase was not followed in 2022, where the Bali Province National Narcotics Agency IKPA value in 2022 fell by 0.05% to 98.51.

Comparison of IKPA values with Budget Implementation Performance Targets

Based on a comparative analysis of the IKPA value with the National Narcotics Agency Budget Implementation Performance target for the Bali Region in 2020-2022, it shows that all work units of the National Narcotics Agency for the Bali Region were able to achieve and exceed the budget implementation performance targets set out in the performance agreement. The achievement of these targets can be seen in the following image.

In 2020, the highest percentage of IKPA achievement against budget implementation performance targets was the National Narcotics Agency Buleleng with an achievement of 105.91 percent followed by the National Narcotics Agency Karangasem at 105.58 percent, National Narcotics Agency Denpasar 105.24 percent, National Narcotics Agency Gianyar 105.15 percent, National Narcotics AgencyP Bali 104.69 percent and National Narcotics Agency Badung 101.38 percent and National Narcotics Agency Klungkung 101.34 percent. In 2021, the highest percentage of IKPA achievement against budget implementation performance targets is the National Narcotics Agency Denpasar at 106.22 percent, the National Narcotics Agency Bali and Buleleng have the same achievement at 104.85 percent, the National Narcotics Agency Klungkung 104.55 percent, National Narcotics Agency Badung 103.85 percent and National Narcotics Agency Karangasem 103.65 percent.

In 2022, the IKPA value of the National Narcotics Agency for the Bali Region has the highest performance target achievement compared to the achievements in 2020 and 2021. The highest achievements are the National Narcotics Agency Denpasar at 108.67 percent, National Narcotics Agency Klungkung 108.65 percent, National Narcotics Agency Buleleng 107.77 percent, National Narcotics AgencyP Bali 107.08 percent, National Narcotics Agency Karangasem 106.98 percent, National Narcotics Agency Badung 106.84 percent and National Narcotics Agency Gianyar 104.23 percent.

Strategy to improve the budget implementation performance of the National Narcotics Agency Bali region

Based on the results of interviews and identification of strengths, weaknesses, opportunities and threats in the implementation of the National Narcotics Agency budget for the Bali Region, strategies can be formulated to improve budget implementation performance as follows:

1) Accurate planning

An accurate planning strategy is carried out to minimize the occurrence of DIPA revisions exceeding the provisions and deviations on page III of the DIPA above 5%. This accurate planning includes preparing detailed work papers and activity timelines to determine the Fund Withdrawal Plan. Accurate planning strategies are prepared by involving the participation of all those responsible and implementing activities so that work plans are prepared in accordance with needs and conditions in the field.

Apart from preparing detailed work papers and activity timelines, accurate planning is also needed in preparing a budget revision schedule that is adjusted

to the specified cut off time. This is carried out as an effort to improve the quality of budget planning, especially on budget revision indicators. The budget revision schedule is prepared every quarter 1 (one) time which is then used as a reference and guide for budget managers and activity implementers in proposing budget revisions.

2) Monitoring and evaluating budget implementation periodically and in stages.

The analysis and evaluation strategy for budget implementation is carried out to monitor the implementation of the current year's budget, such as mitigating and anticipating obstacles and barriers to budget implementation in the field so that solutions can be immediately found for these obstacles and will not happen again in the future. Anev budget implementation, especially to minimize sub-optimal budget absorption according to provisions, Deviation Page III DIPA, management of UP and TUP as well as monitoring output achievements. Anev Regular budget implementation is carried out every month involving elements of leadership, budget managers and activity implementers.

Apart from carrying out audits, real-time and tiered supervision is also needed to minimize errors such as SPM, SP2D returns, UP and TUP management, contractual spending delays and monitoring activity implementation schedules and DIPA revisions. Real-time supervision can be carried out at any time according to its function and is carried out in stages starting from the activity implementer, Expenditure Treasurer, PPSPM and PPK.

3) Rewards and Punishments

Reward and punishment strategy in an effort to increase awareness for budget managers in an effort to improve the performance of working unit budget implementation. Rewards are given by the leadership to budget managers who are able to improve and achieve the set implementation performance targets. The form of reward that can be given is in the form of awards and training opportunities to develop employee competence. Meanwhile, the form of punishment given can be in the form of employee coaching and evaluation of employee performance in the form of dispromotion or other forms.

4) Flexibility in budget implementation

The budget implementation flexibility strategy is carried out to anticipate obstacles in the implementation of activities that affect the deviation indicators on page III of the DIPA. The established fund withdrawal plan serves as a guideline in realizing the budget so that if there is an unavoidable change in the activity implementation schedule, adjustments are made immediately to the implementation of other activities to cover activities that are not carried out according to schedule.

5) Good communication and coordination

Good communication and coordination strategies with related parties are carried out for the smooth implementation of activities so that they can be carried out on time and on target. Communication and coordination can be carried out with internal and external parties. Internal parties, namely those responsible for and implementing activities, establish communication and coordination regarding plans or timelines for implementing activities, while external parties are carried

out with the Regional Office of DJPB Bali and KPPN Denpasar regarding information on budget implementation regulations.

Communication and coordination with external parties is needed because the IKPA assessment experiences adjustments and policy change every year, so updated information regarding these changes is needed so that each implementer and budget manager has the same and correct understanding of the Budget Implementation Performance Indicators.

Communication and coordination with external parties can be done by diligently attending meetings, workshops, or seminars regarding budget implementation. Meanwhile, internal communication can be carried out informally and formally between the implementer and person responsible for the activity and treasury officials. One thing that can be done is to create a smart IKPA assessment book which is distributed to each budget manager and implementer so that it is easy to understand and study at any time.

Conclusion

The overall performance of the Bali Region National Narcotics Agency budget implementation based on IKPA values in 2020 is in the good category with the highest IKPA values in 2020 namely Buleleng National Narcotics Agency, Karangasem National Narcotics Agency, Denpasar National Narcotics Agency, Gianyar National Narcotics Agency, Bali National Narcotics AgencyP, Badung National Narcotics Agency and Klungkung National Narcotics Agency.

In 2021, the National Narcotics Agency IKPA score for the Bali Region experienced an increase in budget implementation performance to the very good category, with the highest IKPA scores being Denpasar National Narcotics Agency, Bali National Narcotics AgencyP, Buleleng National Narcotics Agency, Klungkung National Narcotics Agency, Gianyar National Narcotics Agency, Badung National Narcotics Agency, and Karangasem National Narcotics Agency.

Furthermore, in 2022 the overall IKPA value of the Bali Region National Narcotics Agency will again be in the very good category with the highest IKPA value, namely National Narcotics Agency Denpasar, National Narcotics Agency Klungkung, National Narcotics Agency Buleleng, National Narcotics Agency Gianyar, National Narcotics AgencyP Bali, National Narcotics Agency Karangasem and National Narcotics Agency Badung.

Comparison of the value of the Bali Region National Narcotics Agency budget implementation performance against the budget implementation performance target which is always achieved from 2020 to 2022. In 2020 the highest budget implementation performance target achievement was National Narcotics Agency Buleleng, while in 2021 and 2022 the highest performance target achievement was namely Denpasar National Narcotics Agency.

Strategies that can be used to improve the performance of National Narcotics Agency budget implementation for the Bali Region in the future are carrying out accurate planning, regular monitoring and evaluation of budget implementation, reward and punishment, flexibility in budget implementation, establishing good

coordination and communication with external and internal parties and commitment high levels of budget execution.

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