THE EFFECTIVENESS OF THE GOVERNMENT INTERNAL CONTROL SYSTEM IMPLEMENTATION IN TEGAL REGENCY

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ABSTRACK

Until the year of 2015, Tegal Regency has not gotten WTP on its financial report and there are many irregularities implementation of Regional Development Budget showed in audit report of BPK. There are some cases that resulted in a loss of regional finance, one of which is the case of the construction of Karangjambu-Guci road, which resulted in loss of regional finance equal to Rp. 1 billion more. (BPK, 2014). They are showed that the implementation of the government internal control system hasn't been effective yet in Tegal Regency.

This paper aims to describe the factors affecting implementation of The Government Internal Control System (SPIP), and to recommend solutions to overcome the difficulties of the implementation. The method of this research uses qualitative research based on a literature review and in-depth interview with some top management of Tegal Regency Administrations.

The conclusions of this study are: (1) politic is a dominant factor that causes implementation of The Government Internal Control ineffective (2) commitment to the implementation of The Government Internal Control System is weak. (3) the weakness of the policy itself that there is no sanctions if violated. This paper suggest the solutions related with those issues so that the implementation of the future more effectively.

Keywords : Government Internal Control System, Politic, commitment, policy, Implementation, Effective

INTRODUCTION

Law Number 17 Year 2003 on State Finance mandated state finances are managed in an orderly manner, abide by the laws and regulations, efficient, economical, effective, transparent and accountable with regard to the principle of justice and propriety. In accordance with the mandate of Article 58 of Law No. 1 of 2004 on State Treasury, the President set up and administer the Government Internal Control System as a whole in the context of the State's financial management transparent and accountable. In Law No. 15 of 2004 also mentioned the importance of Internal Control System of the Government in Article 12 which states that in order to audit and / or performance of examiners conduct testing and assessment of the implementation of the Internal Control System of

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Government.

Government Regulation No. 60 Year 2008 on Government Internal Control System (SPIP) reinforce the government's commitment to eradicating corruption, collusion and nepotism in various aspects of the implementation of the common tasks of government. This is in line with the mandate of the People's Consultative Assembly (MPR) in the MPR Decree No. XI / MPR / 1998 and Law No. 28 of 1999 on the organization of the State are clean and free of Corruption, Collusion and Nepotism (KKN).

But the policy of Government Internal Control System has been running for 8 years but felt not running as they should. It can be seen from the many problems caused by the ineffectiveness of the policy implementation of PP No. 60 of 2008 in Tegal Regency. In Tegal Regency, which makes the issue of Government Financial Statements Tegal WTP opinion have not been gotten because of the problem of assets. In 2014 the Government of Tegal did not apply adequate control of the assets on the particular equipment and machinery amounting to Rp 2.5 trillion, which is in the form of land worth Rp. 63.97 billion, equipment Rp 70.9 billion, building Rp. 88.74 billion and road Rp 1020.91 billion that is not supported by details of the type, location, year of acquisition and the value of each of its assets. In addition to the problem of assets, there are some cases that result in a loss of area one that drew public attention is the case of the construction of Karangjambu-Guci Road which resulted in a loss of area Rp. 1 billion more. (LHA BPK, 2014)

The ineffectiveness of implementation can also be seen by the results of the assessment by the BPKP on SPIP maturity level which shows that the maturity level SPIP of Tegal Regency is still at pilot level with a value of 1.5 of the six levels of maturity. These results are still far from the target RPJMN 2015-2019 which requires well-defined level (grades 3).

Departing from the argument, this study tries to raise issues regarding the Implementation of Policy Analysis SPIP in Indonesia Tegal Regency case studies to answer what are the factors that makes implementation of SPIP in Tegal Regency not effective yet?

LITERATURE REVIEW

Research and writing-related issues Internal controls both the public and private

sectors have often found, either in the form of journals, thesis, dissertation or writing in the media. The study was conducted by various groups, ranging from academic researchers background, observers, to government agencies or institutions associated with the process of public private partnerships. The discussion examined more focused on issues of accountability, internal audit, and the performance of government agencies.

This study provides something new for analyzing the content of the policies and policy implementation organization of the internal control system of government as a tool to formulate policy implementation SPIP forward based on the review of the content and the factors that causes the policy implementation ineffective after the issuance of Government Regulation No. 60 of 2008.

This study uses a model of implementation Grindle. Grindle (1980) reminds policy makers and implementers about the possibility of a gap between the objectives of the measures taken and results achieved in the field 'Implementation of policy has captured their attention because it is evident that a wide of factors – from the availability of sufficient resources to the structure of intergovernmental relations, from the commitment of lower level officials to reporting mechanism within the bureaucracy, from political leverage of opponents of the policy to accidents of timing, luck and seemingly unrelated events – can and do frequently intervene between the statement of policy goals and their actual achievement in the society."

Grindle introduce implementation model as the political and administrative processes. The model describes the process of decision-making performed by a variety of actors, where the output is ultimately determined by either material or program that has been achieved through the interaction of decision makers in the context of administrative politics. The political process can be seen through the decision-making process involving various policy actors, while the administrative process is visible through the general process of the administrative actions that can be studied at the level of a particular program. To better determine the position between the political and administrative domain in Grindle theory can be seen in Figure 1.

In this figure, it appears that a policy has a clear goal as a form of value orientation policy. Objective implementation of policies formulated into specific action programs and projects are designed and financed. Programs are implemented according to plan.

Implementation of the policy or program outline klins - influenced by the content and the context of the implementation of the policy. The overall implementation of the policy is evaluated by measuring the output program based on the policy objectives. Exodus program seen through their impact on the intended target both individuals and groups and communities. The output of policy implementation is a change and acceptance of change by the target group (Akib, 2010).

Grindle Model selected to analyze the policy of the government internal control system in this dissertation as it is capable of photographing a responsively the process of existing implementations. This model can analyze linearly it is also providing tools for program beneficiaries to participate in the implementation of policies which produce different outcomes in the future. Here are some considerations Grindle models used in the discussion of policy implementation of internal control systems in PP No 60, 2008. First, the political and administrative process model of Grindle is capable of being a sort of hall room for dialogue theoretical models accommodate different implementation approaches of other leaders. Secondly, this Grindle models represent characteristics of the implementation of existing policies in developing countries. Various case studies in parts of Asia, Africa and the Americas conducted by Grindle and others, such as India, Brazil, Peru, Mexico, Colombia to Zambia prove contextuality peculiarities of the third world countries with the implementation model that he initiated. This context is certainly disproportionate, if you see almost the entire implementation of the policy in Indonesia, including policy for carrying out internal control systems of government. As the characteristic of other developing countries, the implementation of the policy in Indonesia can not be separated from the strong pull of the infiltration of politics (the struggle of political power) who fought in the zone of public policy.
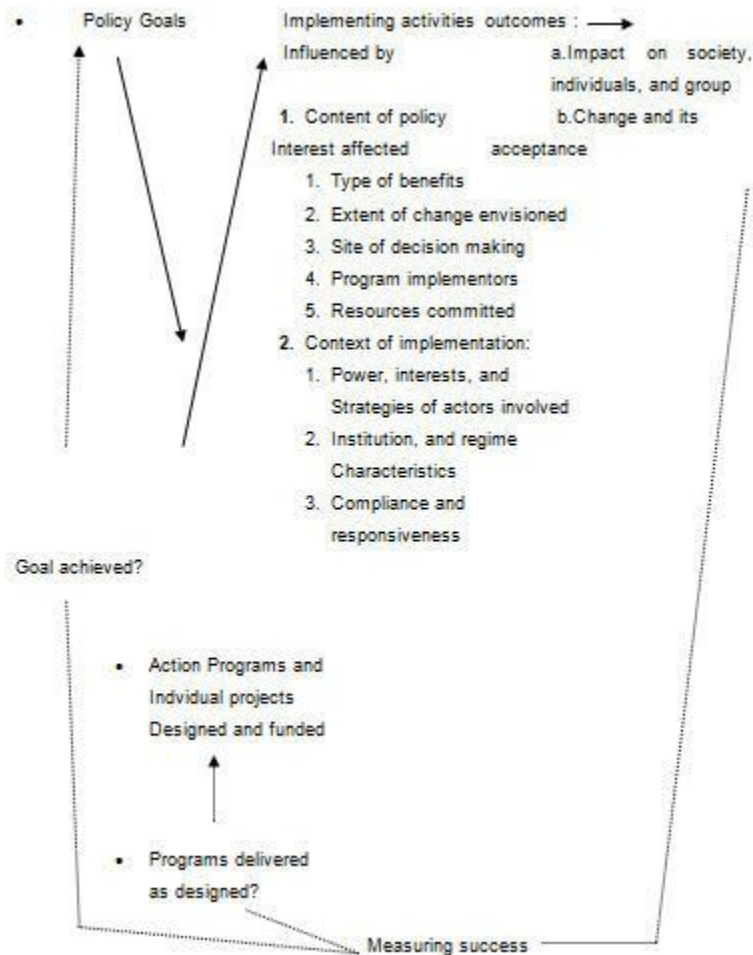
Figure 1 . Implementation as a Political and Administrative Process

(source: Grindle, Merilee S. (ed), 1980, *Politics and Policy Implementations in the Third World*, Pricenton University Press, New, Jersey, page.6)

The paradigm shift control, on the management control system (SPM) in the direction of the internal control system (SPI) more emphasis on the human factor rather than procedures and activities, through the creation of the control environment more conducive and risk assessment based on the precautionary/conservative principle, so it is more dynamic and involving all personnel (managers and employees).

According to Sawyer, Dittenhofer and Scheiner (2006) "*Internal control is a process, affected by entity's board of directors, management and other personnel, designed to provide*

reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations; (2) reliability of financial reporting; and (3) compliance with applicable laws and regulations. "

RESEARCH METHODOLOGY

The research applied a qualitative method based on in-depth interviews with and observations of implementation of internal control system in Tegal Regency. It is a case study which refers to Gerring (2007), while the research design refers to Creswell (2009). The informants comprise top management and government employees of Tegal Regency. Topics discussed with top management include policies relating to the implementation of internal control system in their institution and factors that influences the implementation. Topics discussed with government employees include their opinion about the government internal control in government regulation No. 60 /2008, their role in the implementation and opinions about leadership commitment. The interview is based on a semi-structure with open questions whenever necessary.. Triangulation in this research is conducted by technique, using different means to get the data. Data analysis is based on Miles & Huberman (1994).

RESULT AND DISCUSSION

According to Grindle one of the factors that influence the success of a policy is to look at the reaction (reaction) even resistance (opposition) from parties who feel concerned about the Government Internal Control System. The reaction by the parties concerned with the implementation of the policy administration Internal Control System after the implementation of Government Regulation No. 60, 2008. Opinion of parties interested in the Government Internal Control System provides an overview of the implementation of the Government Internal Control System.

However, from authors ' study in the site, internal control system was not conducted in accordance with the mandate in this regulation, this can be seen by the results of the maturity assessment conducted by BPKP to Tegal Regency which is scored 1.5 out of 6 at the level of maturity of the stub (BPKP , 2016). Scores of maturity is said to be effective of their internal control system is at least 3 on target RPJMN (Regional Medium term Development Plan) 2015-2019.

The condition of one of them is caused by a conflict of interest that affects the implementation of SPIP in the study area. Their political interests make top officials (regional head) undermine its commitment to enforce internal control within the government therefore it can not be run as mandated in PP 60 in 2008.

The Regent uses his power for political purposes in the context of winning the election . Regent pressing one of the department heads who have a big budget to provide some funds from the budget that is managed for the benefit of his political interest.

The success of a policy is determined by the institution which has the authority to give policy makers in order to enter to the policy change towards the better. As said by Grindle that the implementation of the policy is determined by how much power and authority of the institutions to improve policy, that the policy is fit for purpose.

Leadership areas that are formed based on the results of the local head elections of 2014, does not provide a conducive atmosphere for the implementation of SPIP effectively . This is due to the conflict between the Regent and the regional secretary.

In addition, factors leaders' commitment is the main constraint of the implementation of Internal Control System of the Government in Tegal. The leaders are less aware of the importance of SPIP in the implementation of its programs and activities and assume SPIP only a formality and does not serve as a tool to secure any control measures in the management of its programs and activities. With the lack of commitment is what makes leadership less motivated to organize activities within the framework of infrastructure development SPIP. The lack of commitment of the leadership and employees because they generally do not know what the SPIP is and how to run it. It is understandable if the leaders of SKPD and employees in general do not understand SPIP as members of a task force of representatives of SKPD SPIP generally is the forth level. This task force members who had received at the beginning of socialization SPIP SPIP organizing activities in 2012. After that there was no socialization any more, whereas the participant of socialization only 60 people from the number of employees 11.925 people. Factors understanding of this policy is to be a solid foundation for a sense of commitment, especially the leadership to mobilize resources for the implementation of the policy in this case SPIP. But equally important is the integrity of the leadership. Factors integrity is what will propel a person to act, if the integrity is well it will encourage leaders to uphold SPIP well, otherwise if the integrity is ugly then tend to weaken existing controls in order to meet its interests. Due to political interests that make a commitment to implement SPIP in

Tegal is low. As a result, the maturity value SPIP Tegal is still low (1.5). Ultimately, it is still low maturity led to a lot of irregularities as well as audit reports on compliance with laws and regulations are shown in Table 1.

Table 1 Audit report of compliance to the act 2014 in Tegal Regency

No	Uraian temuan	Nilai (Rp)
1.	Late Payment fee of Control Telecommunication (Tower) in 2014 Not Imposed Sanctions Admmistratif interest	93.366.138,74
2.	The evidence of Spending on Goods and Services Activity on recess period at the Parliament Secretariat is Insufficient	244.800.000,00
3	The evidence of Spending on Goods and Services on Provision for Food and Beverage of Regent / Vice Regent is Inadequate	305.463.042,00
4.	Lack of Volume of Work at the Department of Health and Department of Public Works	11.719.151,59

Source: LHP Indonesian Supreme Audit institution (BPK), 2014

The success of a public policy implementation according to Grindle, in this case the policy of the Government Internal Control System (SPIP) is also highly dependent on human resources. As we know that the Internal Control System Government (SPIP) in Government Regulation No. 60 of 2008 was based on thought that the Internal Control System attached to all activities is influenced by human resources. So the human factor becomes critical success of this Internal Control System (Lamsari, 2010).

To improve the effectiveness of the implementation of the Government Internal Control System (SPIP) at the local level as a follow-up to the issuance of Government Regulation No. 60 of 2008, the Minister of Home Affairs has issued Circular No. 120/2536 /

SJ dated June 25, 2010, which contains among the most fundamental is to accelerate the preparation of the Regulation of the Governor / Regent / Mayor regulating the conduct SPIP and formed a Task Force (Task Force) SPIP in order to sustain the operation of the Government Internal Control System (SPIP).

In the Tegal Regency government has been issued Tegal decree No. 43 of 2010 dated December 8, 2010 on the Implementation of Government Internal Control System (SPIP) in Tegal Regency. As a follow up this regulation are then formed Task Force Government Internal Control System (SPIP) with Tegal Regency Decree No. 700/598/2011 dated 7 November 2011 as amended by the Decree of the Regent Tegal No. 700/265/2012 dated February 13, 2012.

The Structure of members of the Task Force of SPIP mostly are the forth level on each SKPD that are not decision-makers in policy making, it can be ascertained if the leaders SKPD does not have a commitment they will not run the activities implementation of SPIP as there is lack of support for the leadership to mobilize resources to enforcement SPIP

It is indicated by the results of the advisory SPIP that is no follow-up and stop just as a mere formality activity. This is because leaders SKPD and his staff still do not understand and feel the need of SPIP in the implementation of programs and activities

Lack of commitment from the leaders is due to their lack of understanding of the substance of policy. When viewed on dissemination activities in 2012 SPIP socialization participants only 60 participants who are members of the Task Force SPIP, just few of SKPD leaders there. And of the Task Force members SPIP representing each (regional work Unit) SKPD also not be able to transfer material dissemination to employees in their office especially leaders of SKPD

In the absence of efforts to held socialization or training SPIP for employees who do not get an understanding of the policy SPIP especially for leaders of SKPD and the Regent, the mentoring activities SPIP that has been done there will be no sequel and the implementation of SPIP will stop and give no effect to the implementation of activities and programs as well as in the achievement of its objectives

The role of the Task Force on Government Internal Control System (SPIP) in Tegal merely proposing and running programs and activities which is already budgeted, but can not guarantee the sustainability and the embodiment of the values of

Government Internal Control System (SPIP) in every program and activity. All depends on the commitment of the leadership, especially each of organizational unit.

Implementation of the policy is not just a technical process in implementing the plans that have been defined. Rather it is a dynamic process of political interaction and can not estimated. Various factors, political, economic, social, behavioral and organizations all of which affect how far the policy that has been set can be implemented as expected, and to what extent the implementation also achieve the objectives of the policy

According to Grindle, the content of public policy is an important factor determining the outcome of the implementation of the program, but the contents of the policy or program is often a critical factor of the potential impact of the social environment, economy, and politics has existed. Therefore, the context of the environment in achieving administrative measures need to be considered. The program has been structured to be implemented as a continuous process in decision-making involves a variety of actors. In the processing of existing programs, many factors are involved in the selection or manufacture special allocation of public resources and the other trying to influence the decision.

In a study Grindle was the focus of her studies are the actors who formulate and adopt policies that determine the success or failure of a program, these actors are both formal institutions of government and the legislative. Often, the purpose of the actors would directly conflict with each other and the result of conflicts with others and the outcome of this conflict is consequently as who gets what will be established through the strategy, resources, position control from each of the actors involved. Whether the implementation is the result of the calculation of political interests and groups competing for scarce resources, response officials from the executive and the actions of the political elite. All interact in the context of existing institutions.

In the context of the implementation of the Government Internal Control System (SPIP) in the Regency of Tegal, the factors affecting the ineffective implementation of the policy also caused mainly by factors of political officials to involve bureaucratic institutions

The procurement process as stipulated in Presidential Regulation No. 4 Year 2015 on the fourth amendment on Presidential Decree No. 54 of 2010 on the procurement of goods and services, stating that the process of selecting providers of goods and services

through direct procurement, direct appointment or E-purchasing is the procurement officials. Procurement Officer is a very decisive winner of the tender to carry out a great job with a value of over USD 200 million. For that it is formed the Procurement Services Unit (ULP) as a representation of the procurement officials. This procurement services unit is formed by the decision of the regent. But along the way, there is an indication of the performance of ULP can not be independent because of the intervention of the head of the region to launch the interests of the excluded people who opposed and replace with those that can be arranged. This can be seen by changes in personnel establishment Procurement Services Unit (ULP) changing in one fiscal year as shown by Table 2.

The ruling regime in this case the regent in Tegal is the main factor that led to ineffective of implementation of SPIP because it violated existing controls to smooth her political interests.

According to Grindle, so that the implementation of a policy successfully takes compliance of the implementor and the manager of the implementation of the Government Internal Control System (SPIP) in this case the manager and executive manager of organizing SPIP in Tegal, to implement programs that have been formulated, in this case how to implement PP number 60 of 2008 on the Internal Control System of the Government.

From the research findings based on interviews with informants, it has yet to function properly. It is caused by several problems, the first is that up to now there is no reward and punishment that accompanies this SPIP obligations towards the implementation of the PP 60, 2008. This is the main reason why until now most local governments are reluctant to implement this obligation. As known data showing less stimulation of the local government, especially in the implementation of SPIP can be seen in the average maturity of SPIP is still in the pilot stage.

Table 2 The Changing on personel of Procurement Services Unit (ULP) in one fiscal year

No	No & date decree	Content of decree	Information
1.	112 tgl 29/1/2016	Initial personnel of ULP	44 people
2.	321 tgl 7/4/2016	First change	replaced Wiwik Darwanti with Nopendi
3.	495 tgl 1/6/2016	Second change	Put out ahmad Abdul, Kardi Karyoto,Edi K replace with Dedi S, Slamet S,Abdul B,M Arief H & Hari
4.	549 tgl 16/8/2016	Third change	Add Danang WP, Heriyanto PA & Hadi Jawoto

Source: Inspectorate Tegal, 2015

Less obediently implementing the obligations of SPIP shown by the low value of maturity in Tegal (1.5). Implementor of policy do not build infrastructure control as mandated in PP 60 of 2008, this is what causes the value of the low maturity

Supervisory board member Social Security Agency (BPJS) Employment revealed that the weakness in our country is on law enforcement to the SPIP application should be followed by tough sanctions.

In addition to problems of law enforcement in the implementation of SPIP also because there is no system or mechanism that can make any government administration both at central and regional levels to not be able to avoid the obligations in implementing Internal Control System Government (SPIP) as mandated in Government Regulation No. 60 of 2008

The system should be set in a regulation better included in the PP 60 of 2008 or regulations derived from the PP and must be accompanied by sanctions as described above.

CONCLUSION

Based on the above discussion it can be concluded that the lack of effectiveness in the implementation of SPIP in Tegal due to several factors. The first condition is that one of them caused a conflict of interest that affect the implementation of SPIP in the study area. Their political interests make top officials (regional head) undermine its commitment to enforce internal control within the government therefore can not run as mandated in PP 60 in 2008.

In addition, factors of leader commitment is the main constraint implementation of Internal Control System of the Government in Tegal. The leaders are less aware of the importance of SPIP in the implementation of its programs and activities and assume SPIP only a formality and does not serve as a tool to secure any control measures in the management of its programs and activities. With the lack of commitment is what makes leadership less motivated to organize activities within the framework of infrastructure development SPIP. The lack of commitment of the leadership and employees because they generally do not know what the SPIP and how to run it.

The next factor is no reward and punishment that accompanies this SPIP obligations towards the implementation of the PP 60, 2008. This is the main reason why

until now most local governments are reluctant to implement this obligation. As known data showing less stimulation of the local government, especially in the implementation of SPIP can be seen in the average maturity of SPIP is still in the pilot stage

The last there is no system or mechanism that can make any government administration both at central and regional levels to not be able to avoid the obligations in implementing Internal Control System Government (SPIP) as mandated in Government Regulation No. 60 of 2008.

To overcome these problems required a continuous effort to dessiminate SPIP to all employees to be able to understand the policies SPIP well and can implement them in its programs and activities. In addition we need a system that can encourage each head of the institution to organize SPIP in the neighborhood, accompanied by reward and punishment.

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