Bureaucratic Transparency in Regional Budget (APBD) Management

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Abstract. This research is motivated by the lack of publication concerning budget management information by the Government of Kupang through online media. This research aims to study the factors that lead to the lack of transparency of budget management information by the Government of Kupang. This study used a qualitative method with instrumental case study and the data collection procedures using in-depth interviews, and documents study. The data validation uses triangulation technique of sources. The research subjects of Kupang Government Bureaucracy are determined purposively. The results show that the rate of secrecy/confidentiality of Kupang Government budget management information is quite high, thus difficult to be accessed by the public (over secrecy). The causes are diverse, among others, problems of socialization, lack of legal instruments governing the infrastructure in the field of public disclosure, lack of resources and a growing perception among the head SKPD and head of the Treasury Division of the Regional Secretariat of Kupang that local financial documents such as RKA, DPA, and the LRA are state confidential documents.

Keywords: bureaucratic transparency, regional budget, secrecy/confidentiality

INTRODUCTION

The paradigm shift from centralized to decentralized governance characterized by the issuance of Law No. 22 Year 1999 on Regional Government, then amended into Law No. 32 of 2004 on Regional Government has triggered regional governments to prove their ability to administer local governance in accordance with the circumstances and needs of the region which is referred to as local discretion. Through local discretion, it is expected that local government is able to be autonomous government, or self local government (Smith, 1985:2).

Decentralization itself means that the local government should be an instrument for the creation of values of liberty, democratization, political equality, accountability, transparency and responsiveness in providing public services for the locality (Smith, 1985: 20). In essence decentralization as the main value in the governance is a political consequence of the espoused democratic system. These values then become a condition for the realization of good governance.

Theoretically, the principle of good governance is characterized by several aspects such as transparency, participation and accountability. Participation is defined as the active involvement of citizens in the policy-making process. While transparency concerns with the disclosure of political processes and administration, where information related to the public interest can be accessed by anyone at any time. The information includes the rule of the game, regulated materials or substances, implementation and management of budget, and policy implications. While accountability is defined as the need to account policies to the public as the owner of sovereignty (the World Bank in Wildavsky and Caiden, 2012).

At the empirical level, the institutionalization process of bureaucratic transparency towards good governance meet obstacles. This is because bureaucracy as a public institution in fact basically has the opposite value, i.e. esoteric or secret. The conflict between bureaucratic and democratic principles is what makes writers like Albrow (1989), Bethan (1990), Blau and Meyer (2002) consider that both bureaucracy and democracy are two things that are difficult to be met. If forced both shall be potentially conflicting (Dendhardt and Dendhardt, 2006).
management of state and local finances. This conflict continues, experienced by the bureaucracy in the democratic countries, not least in Indonesia. The conflict between democratic value (transparency) and bureaucratic value (esoteric) as if shifting the pendulum on a line from the side of democracy to bureaucracy or vice versa. For more details it can be be seen in figure 1.  

Through public pressure, the demand that bureaucracy must uphold the principle of transparency in order to make accountable and democratic government is eventually responded by the government through the stipulation of Law No. 14 of 2008 on the Disclosure of Public Information (hereinafter referred to as the Law No.14/2008 on the DPI). The cornerstone of the establishment of this Law is the second amendment of the 1945 Constitution, Article 28 F which states that the right to information is a human right. This law aims to create a transparent state administration as one of the components of good governance principles.

In Law No.14/2008 on the DPI, particularly in Article 9 (c) regarding the disclosure of financial statements, it is mentioned that information of financial statements is actually one of four public information to be mandatorily announced (devoid any demand) to the public on a regular basis. The four information include: 1) Information relating to the Public Agency; 2) Information on the activities and performances of the Public Agency; 3) Information on the financial statements; 4) Any other information set forth in the legislation.

In this context, the information shall be published on a website with a special menu of “Transparency of Regional Budget Management” based on the Decree of Minister of Home Affairs No. 188.52/1797/SJ dated May 9, 2012 on Improving Transparency of Regional Budget Management, namely (1) Work Plan and Budget of Regional Government Working Unit (RKA SKPD); (2) Work Plan and Budget of Regional Financial Management Officers (RKA PPKD); (3) Regional Regulation Draft on the Regional Budget Draft (Raperda APBD); (4) Regional Regulation Draft on the Regional Budget Amendment (Raperda APBD-P); (5) Regional Regulation on Regional Budget (Perda APBD); (6) Regional Regulation on Regional Budget Amendment (Perda APBD-P); (7) Budget Implementation Documents of Regional Government Working Unit (DPA SKPD); (8) Budget Implementation Documents of Regional Financial Management Officers (DPA PPKD); (9) Budget Realization Statement of Regional Government Working Unit; (10) Budget Realization Statement of Regional Financial Management Officers; (11) Audited Regional Government Financial Statements.

Based on the results of a study conducted by the National Secretariat of the Indonesian Forum for Budget Transparency (hereinafter referred to as Seknas Fitra), almost all local governments in Indonesia are found to be “unwilling” to publish the eleventh financial documents mandatory to be published according to the Decree of the Minister of Home Affairs. The data can be presented as in figure 2.

The data in Figure 2 above show that the majority of local governments in Indonesia are not willing to publish (secrete) the financial statements to the public, whereas the information contained in financial statements are not exempted information (confidential), included as the information to be mandatorily announced (devoid any demand) to the public (Article 9 (c) of Law No. 14/2008 on the DPI). Seen from the reality and the data above, it can be concluded that the issuance of the DPI Law is still viewed skeptically by many parties. It is evident that Law No.14/2008 on the DPI has not been capable to actualize the principle of transparency in every action performed by bureaucracy. Surely this is due more to the bureaucracy who sees that not all financial management information can be disclosed to the public, since the State has the authority to keep things confidential.

Therefore, we can actually see that the bureaucratic reform in the field of public information transparency promoted by Law No. 14/2008 on the DPI is still considered a taboo for the administrator of Governance or the bureaucrats. The paradigm is rooted in the hegemony of power in our bureaucratic culture over the years, where bureaucracy is seen not as an institution that provides services to people, but rather as an arena or site for power negotiation with the people (Weber, 1976; Woros and Supriyanto, 2013). This, of course, makes the culture of power abuse in the bureaucracy more intensified since the closed bureaucratic system (not transparent) provides the opportunities.

Even though Kupang is one of the autonomous regional governments that should run the principle of transparency in the regional financial governance as mandated by Law.
No. 14/2008 on the DPI and the Decree of Home Affairs Minister No. 188.52/1793/3J on Improving Transparency of Regional Budget Management, the fact shows that the Government of Kupang has a high level of secrecy in terms of its regional financial management information. One manifestation of the low level of transparency can be seen in the website of the Directorate General for Regional Finance of the Ministry of Home Affairs (www.kemendagri.go.id), the webpage of which shows that the Municipal Government of Kupang did not publish a single document relating to its management of Regional Budget. This is quite ironic when compared with the Sabu Raijua District that has published all documents on its Regional Budget Management Report, where in fact Sabu Raijua is still a truly young District since it was only expanded from Kupang District on October 29, 2008 (NTT in Numbers, 2012).

Accordingly, based on the data released by Seknas Fitra (2013) relating to Municipal/District government transparency index in the East Nusa Tenggara Province, it is known that the Government of Kupang was ranked 7th out of 17 Districts/Cities in the province with an index value of 13.37535. The data are presented in the figure 3.

Apart from conducting website tracking, the writer also conducted a test of public information transparency access by sending a request for documents concerning budget management in 2012, on August 15 2013, to the 11 (eleven) Units of (SKPD)/Regional Technical Agency in Kupang Regional Secretariat (attached) in accordance with Article 21 and 22 of the mechanisms for information access in Law No.14/2008. The method of the test can be seen in the table 1.

The results of public information transparency access test indicates that none of the SKPDs met the request for documents relating to the management of the Regional Budget in 2012 (except Kupang Office of Mines and Energy). The reason given by the majority of SKPD in Kupang (72.7%) was it required a direct recommendation letter from the Mayor or the Regional Secretary for the writer as part of public to access the budget information. Of course, it sufficiently indicates that the level of secrecy in Kupang government bureaucracy is still very strong, that is 90.90%, while the rate of disclosure is only 9.09%.

The picture of the condition above at least shows that the level of transparency in the budget management in Kupang is far from ideal, given that the transparency of the budget reaches the ideal point when the structure and functions of government, fiscal policy objectives, the public sector accounts, and projections are open to the public. This means that budget transparency is defined as the ease to access information, that is reliable, comprehensive, periodic, easily understood, and of international standard, regarding the activities of the government so that the electorate and financial markets can measure the government’s financial position as well as the actual costs and benefits of government activity accurately, including their current and future economic and social implications (Kopits and Craig in Alt and Dreyer, 2006).

Thus, the results of the public information transparency access test above actually shows a negative signal to the public who wants to access budget management data or information; the principle of transparency has not become a culture of bureaucracy, particularly for the Government of Kupang, so that the research results by Dwiyanto, et al. (2003) that “[p]eople are hard and have to go through a difficult procedure to obtain data on the expense of Regional Budget” is still accurate until 2013. Of course there are still many other cases that describe similar condition.

Therefore, based on the aforementioned facts and data, we learn that the “rate of secrecy/confidentiality of information regarding the management of Kupang Regional Budget is quite high (over secrecy), hence it is difficult to be accessed by the public or in other words the value of secrecy/confidentiality still dominates the activity of Kupang Government. For more details it will be visualized in the figure 3.

Table 1. The Method of Public Information Transparency Access Test

<table>
<thead>
<tr>
<th>Activity</th>
<th>Strategy</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Deliver a letter, requesting data/public information</td>
<td>An individual letter delivered directly (using a receipt containing the identity of the recipients of the letter: Name, SKPDs, date and signature)</td>
<td>Addressed to 11 (eleven) SKPDs and Regional Technical Agency of the Secretariat of Kupang</td>
</tr>
<tr>
<td>Letter confirmation</td>
<td>• Through SMS and by phone • Direct visit to SKPD, including: Direct meeting with the Head of SKPD/other officers to clarify the content of the letter</td>
<td>• 05-10 days after the letter received • 10-30 days after the letter received Based on confirmation letter request</td>
</tr>
<tr>
<td>Taking Data and Information from the officer/staff given the disposition</td>
<td>After confirmed by direct visit</td>
<td></td>
</tr>
<tr>
<td>Reconfirmation to several SKPDs</td>
<td>Should there were no confirmation and/or no disposition</td>
<td></td>
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</table>

Figure 3. Budget Information Transparency Index of Districts/Cities in East Nusa Tenggara Province

Source: Seknas Fitra, 2013

![Figure 3](https://example.com/image3.png)
Secrecy/
Esoteric
value
Getting more bureaucratic

Figure 2. The Secrecy Value Dominates Kupang Government Activities Based on the Result of Access Test

Accordingly, Oliver (2004) suggests that in order to make an organization truly transparent, we require some transparency-guarantor factors, including the availability of a system that stimulates and ensures the transparency at all levels of bureaucratic hierarchy.

Such system is of course related to the one built in terms of implementing the regulatory/legal instruments in the field of Public Information Freedom, i.e. Law No. 14/2008 on the DPI. In this case, the approach used refers to the combination of Policy Implementation Models of Mazmanian, Sabatier (1983: 12) and Edwards III (1980) who argued that implementation is an activity to deliver the formulated public policy to the people as the target group, so that the policy can produce something to be enjoyed by the people concerned. The range of activities include several agendas, among others: (1) Socialization, i.e. information transmitting activities concerning the content, purpose and objectives of the public information disclosure law/policy to the employees in the organization, (2) Preparation of a derivative set of rules which is the interpretation of public policy, i.e. in this case the availability of the rules/legal set as a derivative regulations from the higher Laws on the DPI, (3) Setting up the resources to motor the activities that will be implemented, including executive unit/Human Resources and budget.

In addition to the availability of a system that ensures transparency at every bureaucratic hierarchy, it is important to map the perception of bureaucracy on the type of budget management information: which can be categorized as an open-access information (accessible) and which is closed (inaccessible) along with the accompanying reasons. Given today, of any information regarding the management of the public budget to be accessed, the bureaucracy just want to meet some of them and even not infrequently would not fulfill the request. One reason is the different perception between the bureaucracy and the public on the budget management information which is classified as secret and which may be published as well as open and accessible to anyone at any time.

The mapping process of transparency and secrecy of budget management information based on the perception of Bureaucracy will be conducted on 11 types of information mandatory to be published according to the Decree of Minister of Home Affairs No. 188.52/1797/SJ on Improving Transparency of Regional Budget Management.

Based on the identification of problems above, the objectives of the research are: (1) to describe the accessibility of Kupang budget management information, and (2) to learn the factors affecting the transparency of Kupang Government in managing its Regional Budget (APBD).

RESEARCH METHODS

The approach based on the research process is a deductive approach, while the approach based on the research paradigm is a qualitative approach with an instrumental case study to explain the bureaucratic transparency in the budget management of Kupang Government by focusing on public information on the budget, mandatory to publish and its exempt, and the level of bureaucratic transparency in reporting its financial information to public, based on the triangulation technique of data sources, findings from literature review, and assessment of secondary data. It is classified as the deductive approach, since in terms of the placement of theory in qualitative research, this study refers to Creswell (2012) who affirms that “theory may appear at the beginning and can be modified or adapted in such a way based on the views of the participants/informants/sources”. This research was conducted to the Government of Kupang, East Nusa Tenggara Province.

Informants in this study is the Kupang government bureaucrats set purposively, i.e. selected with certain consideration and purpose. The purpose in question is informants who has authority with regard to the budget document in terms of accountability, transparency and accessibility. Therefore the informants include (1) the Regional Secretary, Assistant I, Assistant II, Assistant III, Financial Division Head at the Regional Secretariat of Kupang, (2) Head of SKPD, Secretary of SKPD, Expenditure Treasurer of SKPD and the Head of Financial Sub-division of SKPD at the Office of Regional Revenue, Health, Education, Youth and Sports, Communications and Information Technology, Mines and Energy, Transportation, Population and Civil Registration, as well as Regional Planning and Development Agency, Agency for Research and Development, and the Regional Parliament (DPRD) Secretariat of Kupang.

In this study the data were collected using the techniques of observation, documentation and open-ended interviews. The interview technique used is in-depth interview. The analysis uses qualitative data, through the process of systematically finding and collating all the data obtained from the field, based on the results of interviews, field notes and documents study. All data collected through the document, archive footage and interviews were then analyzed through three stages: (1) data reduction, (2) the presentation of the data, and (3) the stage of decision-making and data verification (Miles and Huberman, 2009).

RESULT AND DISCUSSION

This section describes the accessibility of Kupang government budget management information taken in two ways: (1) website tracking, to determine the extent of accessibility of budget management information disclosure through online media, (2) access test of DPI,
to see how far Kupang government responsiveness in responding to a written request of Kupang budget management data submitted by the writer.

Based on the checking results or website tracking on all four existing websites of Kupang Government, i.e. Kupang City website (www.kupangkota.go.id), Bappeda of Kupang (http://www.bappedakotakupang.info/), Kupang Office of Public Health (http://dinkeskotakupang.web.id/) and Kupang Office of Public Works (http://dpu-kotakupang.web.id/), only 2 (two) websites contain the budget management information, i.e. Kupang Government website and Bappeda website.

The budget management data and information contained in Kupang Government website only contain the data in 2009, 2010, 2011, 2012 and 2013. Ironically, however, the accessible data that can be downloaded by the writer is only the budget data in 2013 alone, the data of previous years cannot be accessed and downloaded by the writer. Even so, the budget data in 2013 was published only in a summary.

In contrast to the findings in Kupang Government website, the findings on the website of Kupang Bappeda show that the page has already had a menu of “Transparent Space”, in which there is a submenu of local financial management, containing the sub-submenu of fiscal year 2013 alone. This means that the budget management information published through Bappeda website is only the data in 2013, while in previous years do not exist. The data and information contained in the budget management of Kupang Bappeda website are (1) Summary of RKA SKPD; (2) Summary of RKA PPKD; (3) Summary of DPA SKPD; (4) Summary of DPA PPKD; (5) Regional Regulation on budget for Fiscal Year 2013; (6) Regional Regulation Draft on budget for Fiscal Year 2013; (7) LRA of BPK audit results for Fiscal Year 2012; (8) BPK Opinion on the Financial Statements for Fiscal Year 2012; (9) The LRA condition up to August 2013; (10) The LRA condition up to December 2013; and (11) the Amendment of Regional Regulation Draft (Ranperda) in Fiscal Year 2013. Nevertheless the Ranperda can be accessed and downloaded only by users who are already registered or logged in on the website of Kupang Bappeda which means the data cannot be accessed freely by the public, unless by those who have registered. Thus Kupang Government did not want to provide accessibility of budget management information via online media freely to the public.

The accessibility test results demonstrate that none of the SKPDs meet the writer’s request to access the budget management document of fiscal year 2012, except for Kupang Office of Mines and Energy. This indicates that most of the sectors in Kupang Government is still reluctant to give financial management documents to the public. For more details, the writer categorizes public information access test results in Table 2.

The data in the table above shows that the reasons put forward by SKPDs largely rejected the request of the writer concerning documents and information relating to budget management, namely: (1) No disposition from the Head (18.18%), (2) it requires a letter of recommendation from the Mayor or the Regional Secretary (72.72%), (3) It requires a letter of recommendation from Kesbanglinmas Agency of Kupang (9.09%), (4) Disposition from the

| Table 2. Categorization of Kupang Government Responsiveness |
|-----------------|------|------------|-----------------|
| Category        | Quantity | Percentage (%) | Description |
| Responding on time and meet the request | 1 | 9.09 | Provides answers along with reasons to accept or reject the requests of budget management data, after 10 days from the date the letter delivered, after confirmed via SMS/phone or direct visit with the statement answering: |
| Responding not on time and refuse to meet the request | 10 | 90.9 | Not giving an answer or a reason to accept or reject the request of budget management data, after confirmed via SMS/phone or direct visits, exceeding 17 days after the letter was received by the reasons: |

Secretary and Assistant III came rather long whose content is “please be advised” meaning it cannot be met (9.09%), (5) financial document is a confidential state document, thus inaccessible by the public (9.09%) and (6) Disposition from the Regional Secretary and Mayor of Kupang was rather late i.e. 22 days after the letter was received, whose content of
disposition is “please be advised” thus the request cannot be met; besides, the section head did not dare to provide the data requested: “Honestly I’m afraid” (9.09%). Such reasons indicate that the Government of Kupang still tend to protect the budget management information.

This is not surprising since the result of in-depth interviews with informants found differences in understanding among bureaucratic actors regarding who have access to budget management information and documents, who have the authority to publish and open public access to documents and budget management information. This is particularly occurred between the Mayor, Regional Secretary and the Head of SKPDs which will ultimately have a negative impact for the public who wish to access the budget management document. The Mayor of Kupang considered that the authorities to publish and open public access to the documents were the head of SKPD and regional secretary, while the Secretary perceived that the authority was on the Mayor and the head of SKPD. On the other hand, some Head of SKPDs (Office of Regional Revenue, Office of Communications and Information Technology, Office of Education, Youth and Sports, Regional Planning and Development Agency, Research and Development Agency, Office of Public Health, Office of Population and Civil Record, Office of Transportation, and the Secretary of Kupang Parliament) considered that the authority is on the regional secretary and the mayor, as well as other bureaucratic actors.

Such reality gave negative signal for public since it at least displayed the throwing of responsibility among key bureaucratic actors in terms of authority to publish and open public access on the budget management data. There is a perception among Kupang bureaucrats that the authority is in the hands of the Mayor and Regional Secretary.

Nevertheless, the public information disclosure access test (2013) shows that in reality most Head of SKPDs are reluctant to provide budget management information to the person they do not know or do not have a personal emotional connection with. The reluctance is due to the fear that it might be by the party requesting the information and cause instability of governance in the relevant SKPD, then they will be the party most responsible for the negative consequences of the budget management information publicity and of course this will jeopardize their careers and positions as the head of SKPDs concerned.

The conclusion and personal emotional connection is necessary is based on the fact that the only SKPD answering the request, Kupang Office of Mines and Energy, after 10 days from the date the letter received is chaired by the “Christian father or adopted father” of the writer. That is why the request letter was soon responded and given disposition of “please take the data on the financial officer”. This means that the Office Head is willing to disclose the information since he personally knew the background and the origin of the applicant of public information.

Apart from personal and emotional closeness, the public information disclosure is also based the applicant’s employment status and institutional origin/working institution, and the activities development of applicant’s concerned institution. Different result was met by the writer’s friend, working as an auditor/inspector in the Inspectorate of NTT province, where he could easily get the LRA APBD of 2012 within only one day, without submission of a formal letter to the Regional Secretary or Financial Division of Kupang Municipal Government. The unfair result, compared to the refusal the writer got, despite the procedures the writer had taken as set forth in Law No.14 / 2008 on DPI, is according to the writer’s friend due to the status of his job as an auditor in NTT inspectorate; that is why the Head of Finance is willing to provide the data of LRA budget for 2012.

Such condition reveals that the access to budget management data and information is difficult to get through formal approach; it would be much easier from informal approach such as personal or emotional relation with the Head of SKPD or at least with an employee working in the concerned SKPD. Other than that, institutional approach would also do, since the employment background of the applicant is legally justified to have access to budget management documents such as coming from auditing institution like BPK, BPKN or Inspectorate.

In this section, the writer will explain the factors leading to the low transparency of budget management in Kupang. First, the availability of systems guaranteeing transparency at every level of Kupang government bureaucracy; this includes (1) Availability of Legal Instruments/policy on DPI, (2) Socialization, and (3) availability of resources both human and budgetary resources. Second, the perception of bureaucracy on 11 Types of Budget Information Management.

The source of information disclosure law in Indonesia derives from Article 28F of the 1945 Constitution of NRI, the foundation of the establishment of Law No.14 / 2008 on DPI as the basis of public information disclosure in Indonesia. In practice, the Law No.14 / 2008 on the DPI is strengthened by the birth of Law No. 25/2009 on Public Service and Law No. 41/2009 on Archives, that reinforce the essence of public information disclosure, conducted through the strengthening of public information management and services. Furthermore, Law No. 14/2008 on the DPI is further elaborated into Government Regulation No. 61/2010 on the Implementation of Law No. 14/2008 on the DPI. Then it is subsequently followed up by each Ministry/Agency in the form of ministerial regulations, e.g. the Minister of Home Affairs Regulation (Permendagri) No. 35/2010 on the Guidelines for the Management of Information and Documentation Services in the Ministry of Home Affairs and Local Government. Based on the Regulation, then each regional government shall formulate local regulations on the disclosure of public information as the set of laws/policies at the level of local government.

This research shows that there is a missing link in the structure of the legislation on public information disclosure at the Local Government level of Kupang; they turn out not to have the legal set/policy regarding the infrastructure of public information disclosure, whether the SOP of Public Information Service, List of Public Information (DIP), Information Desk, Report on the Public Information Service, organizational structure of Documentation and Information Management Officer (PPID), and Information Commission of Kupang. What is available is merely the Draft of Kupang Mayor Regulation (not yet numbered) of
perceptions that ultimately may lead to disputes between the public and government information, specifically with regard to budget management information. Such potential occurs since the standards and policy targets are vague, thus prone to multiple interpretations and easily lead to conflicts between the implementing agents (Van Metter and Van Horn, 1975).

The results showed that Kupang Government has never socialized Law No. 14/2008 on the Disclosure of Public information to all the States Civil Apparatuses of Kupang Government. Yet the socialization on Permendagri No. 35/2010 has been conducted, supposedly attended particularly by the head and Financial Division Head of SKPDs. The irony is of the total number of participants (76 people), the number of the Head of SKPDs present was only amounted to 12 people (15.79%), while Financial Division Head of SKPDs was only amounted to 4 people (5.26%) and the rest were the staffs of 60 people.

Looking at the low attendance of the Head of SKPDs and Financial Division Head of SKPDs, the impact would be their lack of knowledge of the existence and implementation of Law No. 14/2008 on the DPI and Permendagri No. 35/2010. It is evident that most of the Head of SKPDs (69.23%) who become informants in this study were not aware of Law No. 14/2008 on DPI except for the Head of Mining and Energy Office, Head of Communications and Information Technology Office, Head of Planning Agency of Kupang, and Head of Public Health Office of Kupang.

Based on the survey results it is revealed that the Government of Kupang has not had a special implementation unit in charge of carrying out the mandate of Law No. 14/2008 on the DPI such as Information and Documentation management Officer (PPID) as well as the Information Commission of Kupang. It is quite ironic considering that PPID unit and/or the Information Commission of Kupang is the implementing unit/Human Resource who has duties and functions in carrying out the mandate of Law No. 14/2008 on the DPI.

Nevertheless, based on the data triangulation, Kupang Office of Communications and Information Technology is known to have attempted to establish the PPID organization of Kupang by drafting a Mayor Decree (not yet numbered) of 2013 on the appointment of PPID in the scope of Kupang Government. Yet up to now, the draft of the decree has not been issued because the names PPID assistants/PPID SKPD have not been proposed by each Head of SKPS of Kupang Government, the reason of which are: (1) no employee wanted to accept the position as PPID assistants/PPID SKPD since the task is only additional, whereas the new Law on State Civil Apparatuses mandates that the performance of civil servants is only assessed from the main task, not the additional one, (2) The Head of SKPDs claimed to have not received the letter requesting the names of employees to be appointed as PPID SKPD/Assistants from Kupang Office of Communication and Information Technology (Koinfo), as well as get information from Koinfo Office since from the beginning the SKPD staffs attending the Socialization on Permendagri No. 35/2010 on PPID did not report back the results of the dissemination activity to their leaders, the heads of SKPD.

In addition to the main constraints of PPID formation in Kupang Government (the unavailability of State Civil Apparatus proposed to fill the position), there is also a
constraint encountered by Kupang Office of Kominfo, namely the absence of budget allocated to finance the establishment and activities of PPID in Kupang budget of 2013 and 2014.

This study showed that of the 11 types of budget management information, Kupang Government Bureaucracy perceived that 6 types of information (54.55%) fall into the category of closed information meaning inaccessible for public, and 5 types of information (45.45%) include in the category of open information meaning accessible for public. For more details it can be seen in Table 3.

The condition explains why so far public had difficulty in accessing the documents containing budget management information such as of DPA (Budget Implementation Document), RKA (Budget Work Plan), and the LRA (Budget Realization Report) because most of Kupang Government Bureaucrats (such as Regional Secretary, Assistant I, Assistant II, Assistant III, Financial Division Head, Heads of SKPD, SKPD Secretary, SKPD Expenditure Treasurers, and Financial Sub-division Head of SKPD on the Office of Regional Revenue, Office of Public Health, Office of Education, Office of Youth and Sports, Office of Communications and Information Technology, Office of Transportation, Office of Population and Civil Registration, Regional Planning and Development Agency, Agency for Research and Development, and the Parliament Secretariat of Kupang) categorized the information as a closed or secret information, meaning cannot be accessed by public.

There are at least 6 (six) fundamental reasons leading Kupang government to conceal its budget management documents from public, i.e.: (1) Regional Budget management document are the internal affairs of the SKPD household, thus only sufficiently known internally, or in other words a confidential state documents; and the oath of Civil Servants is to protect and safeguard state secrets; (2) since the state budget management document is a confidential document, it can only be granted if there is a recommendation or disposition of the Mayor or his secretary; (3) there are policies whose financing is not in the budget post contained in the DPA SKPD, so that it is taken from other budget post; of course this caused problems in its liability since the proof of expenditure is just a formality, such as expenses for wreaths, services for legislators, celebration of national day of Aug. 17, institutional birthday celebration, etc.; (4) the culture of financial administration system that have developed for long in the bureaucracy shows that the document can only be accessed by internal top bureaucrats such as the head and secretary of SKPD, Head of Finance and Treasurer and audit institutions; (5) budget management documents such as RKA, a document in the planning stage, is still tentative and there will be a lot of changes, thus if known by the public it is difficult to be accountable; (6) There is no rule either local laws or Mayor regulation requiring regional budget management documents such as RKA, DPA and the LRA to be published. The overall reasons put forward by the bureaucracy depart from their understanding of the meaning of transparency as something that is ambiguous, meaning not all things in the budget management document can be opened to the public. In the interviews with the Head of Finance of Kupang Secretariat (interview, June 27, 2014), he said that “For me transparency is not for the entire things; there is also a fuzzy-blurred things in transparency; so maybe the understanding of people this is an age of transparency so everything should be open. If so, we are finished. So I do not agree. So I think we need to be wise; it’s like a household, why should the contents of our stomach be disclosed to other people? It is similar with the household of the Municipal Government, there are things that could be published but indeed there are things that are also closed or secret. Well the analogy is something like that.”

What was stated by the Head of Financial Division is ironic; he is the officer having authority in budget management, yet he perceived transparency/openness as something vague, he believed that not all things in budget management document can be opened to the public. Obviously this will cause Kupang bureaucracy tend to work in dim space of secrecy. Similar view was also conveyed by the Regional Secretary of Kupang (interview, June 27, 2014), perceiving Budget transparency as the disclosure of budget management information so that it can be monitored by the public; nevertheless the degree of its transparency is merely a summary/overview and not detailed. The same thing was also conveyed by Assistant I (interview, June 27, 2014), Assistant II (interview, June 26, 2014), Assistant III (interview, June 24, 2014), the secretary of Regional Parliament (interview, May 19, 2014), the Acting Secretary of Bappeda of Kupang (interview, July 11, 2014), the Secretary of the Office of PPO (interview, July 11, 2014), Head of the Office of Regional Revenue (interview, July 11, 2014), Head of the Office of Communications and Information Technology (interview, May 20, 2014), Head of the Office of Mines and Energy (interview, May 13, 2014), Head of Public Health Office (interview, May 21, 2014), and Head of Research and Development Agency of Kupang (interview, May 22, 2014). Such perception shows the fear and reluctance of the bureaucracy to publish information contained in the documents of budget management as a whole, complete and detailed since if the documents and information are misused by the public, then the party who publishes it will bear the risk (their career and position is possibly at stake).

Therefore, it is learned that the reasons why Kupang government tends to be closed over the document and information on budget management is because the majority of them consider budget document (RKA, DPA and LRA) as confidential documents, hence inaccessible for the public.

In the era of democracy, each bureaucratic activity, especially in budget management must be accountable.
(transparent) for the public. Transparency is defined as
the implementation of public affairs in the public space or
accountable to public, in other words, the opening of access
for all interested parties to any related information such as
various rules and regulations, and government policies, with
minimal cost. Reliable and periodical social, economic,
political information must be available and accessible to
the public (commonly through the filter of responsible mass
media). It means transparency is built on the foundation
of adequate free flow of information, provided to be
understood and (for later) to be monitored (Birkinshaw in

Budget policy is basically a formulated policy relating
to the use of local resources by local governments, mainly
to finance a variety of public programs at local level.
Thus, funds or budget owned by the district or municipal
government, in its management, should pay attention to the
principles of transparency, concerning legality of budget
source, budget utilization mechanisms, budget allocation,
and budget accountability; all must be monitored by the
public at large (Dwiyanto, 2003: 129).

However, looking at the results of the research, it seems
that the transparency in Kupang financial management of the
area has not been established. This is evidenced by the low
level of transparency in the management of Kupang budget
through the website tracking test and public information
access test. Whereas budget transparency is very important
since many parties have interests in budget policy, ranging
from election participats, the public, political parties and the
bureaucracy (Brown and Jackson, 1986), thus budgets can
also serve as people’s monitoring tool on the government
(Wildavsky and Caiden, 2012).

For this reason, then budget transparency is related
to public control since the public wants to know and be
guaranteed that the government as much as possible avoids
mistakes in budget management. The problem is how to
make public officials realize that public interest should
come first, not the whim of politicians, public officials or
expert consultants. So those who have competence require
an access to government performance and information
relevant to remind the government to respect the interests of
public (Haryatmoko, 2011).

The problem of the low level of transparency in the
budget management of Kupang, in reference to Oliver
(2004) using the policy implementation model approach of
Mazmanian and Sabatier (1983) and Edwards III (1980),
is caused by the absence of a system that stimulates and
ensures transparency at every level of the bureaucratic
hierarchy in the form of rules or procedures governing the
infrastructure in the field of public information disclosure.

The lack of infrastructure of public information
disclosure will lead to delays in the implementation of Law
No. 14/2008 on the DPI in Kupang or, in other words, will
cause low transparency of Kupang government budget
management because the legal set/policy contains the
rule of the game, material or substance that is regulated,
implementation and budget management, and policy
implications (Wildavsky and Caiden, 2012). Without it, the
government does not know its obligations as public service
provider of information; and communities as the served
party do not know their rights as citizens to be able to obtain
public information freely, easy, cheap and fast. Surely
similar result is also indicated in research by Sakapurnama
and Safitri (2012), concluding that the factors influencing
the implementation of Law No. 14/2008 on the DPI are
among others infrastructure, and lack of budget.

The negative impact of the lack of infrastructure in the
field of public information disclosure eventually cause the
budget management information and document difficult
to access through formal channels (written or unwritten
request, based on certain procedures in accordance with
the provisions of Law No. 14/2008 on Disclosure of Public
Information in accordance with Article 21 and 22 on the
mechanisms for obtaining information) due to some doubts
from most SKPDs (they consider the Financial of SKPD
as confidential state documents). Nevertheless, the results
showed that access to budget management information
and documents would be easier if done through informal
channels such as personal approach, or at least have an
emotional relationship with the head of SKPD or at least
with staffs working in the relevant SKPD. This shows
the injustice in information disclosure, since it takes into
account the origin, employment status, and the origin
institution/agency of public information applicants.

For this reason, the existence of the law/policy of public
information disclosure as an effort to implement the principle
of transparency is of utmost importance, as affirmed by
Duadji (2012), in order to achieve good governance for
high performance of the government, there are three
pillars: accountability, transparency, and participation to
be implemented through concrete actions in the form of
revitalization, i.e. the injection of good governance values
in practices of public administration with a formal legal
basis.

This is also proven by the research conducted by Rofikoh
and Noor (2012) and Tanesab (2014) showing that the
application of good governance values on the procurement
process of public goods and services through e-procurement
system has many advantages over conventional auction, i.e.
more efficient, effective, transparent, accountable, fairer,
and safer and can encourage healthy competition of business
actors. With e-procurement, opportunities for direct contact
between the goods/services provider and procurement
committee become smaller as more transparent system
allows all auction information can be easily accessed by
all stakeholders through the procurement portal, making
it the accountability easier, and corruption, collusion and
nepotism can be avoided.

In addition to the above facts, the results also indicate
that the ineffectiveness of the socialization of Permendagri
No. 35/2010 on the Guidelines for the Management of
Information and Documentation Services by Kupang
Government is due to the low attendance of Head of
SKPDs and Financial Sub-division Head of SKPDs. This
later caused the low transparency in Kupang government
budget management. Without effective socialization, the
understanding of the top manager (the head of SKPD) on
the existence and contents of the Law No. 14/2008 on DPI
is notably low. Whereas effective implementation will be
achieved, should the decision makers understand about
what they would do; such information can only be obtained
through communication (Edwards III, 1980).

The perception of most Head of SKPD that budget
management documents are “state confidential gives a
negative consequences since the documents become
inaccessible for the public or outside parties (both through
publication and Personal/Public Application, or NGO) without approval/recommendation from the Mayor or Regional Secretary of Kupang.

The same phenomenon is also found in the research by Sayrani, et al. (2010) in the District of Kupang; that most bureaucratic officials reasoned that the budget document is confidential state documents thus inaccessible to the public without any recommendation/disposition from the District Head, as leader of the region. Such phenomena make us question whether budget document is a state confidential document (after the legislation) or officials’ secret deliberately made to protect a variety of fraud and corruption they do. Then what is proposed by Bertens is right: one important measure to assess whether one’s actions are ethical or not is openness (Bertens, 2001).

Apart from ineffective socialization and lack of legal instruments, the research also found that Kupang Government has not formed an implementing unit in charge of carrying out the mandate of Law No. 14/2008 on DPI, like the organizational structure of PPID, as well as the Information Commission of Kupang. It is quite ironic considering that Government Regulation (PP) No. 61/2010 on the implementation of Law No. 14/2008 on the DPI, Article 21 paragraph (1), and Permendagri No. 35/2010 mandate that PPID Officer must be appointed not later than 1 (one) year after the enactment of PP No. 61/2010, namely on 23 August 2010; it was also targeted that in June 2011 the establishment of PPID had been completed. This means the formation of PPID is a priority program that must be followed up by each local government/public agency in order to facilitate the provision of information to the public, since without PPID or Information Commission, the implementation of Law No. 14/2008 on the DPI will not be achieved to the maximum and the value of transparency will not be institutionalized within the bureaucracy.

The absence of organizational structure of PPID and/or the Information Commission of Kupang will certainly hamper the realization of public information disclosure in Kupang. Particularly, the research also found that Kupang government did not allocate its 2013 and 2014 budget to finance the establishment and activities of PPID, for the Mayor’s Decree on the Appointment of PPID in Kupang Municipal Government was just compiled on December 4, 2013. In fact, referring to what was said by Edward III (1980) that “however clearly and consistent the rules and regulations are, and however accurate the presentation of the provisions or rules is, if the policy implementers are lack of resources (including human resources, budget, facilities, information and authority) to carry out the implementation of the policy effectively, then the policy will not be effective.”

What is said by Edward III was later proven through the research of Setyoko (2011), affirming that one of the failure causes of the financial administration accountability of village funds allocation program in Purbalingga District, in Central Java province is the low administrative capacity of village government’s human resources. Therefore, one of the keys to effective policy implementation is the existence of human resources and adequate budget.

It is thus not surprising that Kupang Government Bureaucracy have the perception that the budget management documents such as RKA SKPD/PPKD, DPA SKPD/PPKD, and LRA SKPD/PPKD fall into the category of closed information (secret) means not accessible to the public. The perception held by the informants from Kupang Government bureaucracy that not all budget management documents are accessible to the public, such as RKA, the DPA and the LRA, is motivated by 6 (six) fundamental reasons that are:

First, budget management document is considered as “household” internal affair of each SKPD or in other words a state confidential document. This is related to the misinterpretation by civil servants (PNS) with regard to the doctrine of their oath to keep the country’s secret; budget management document and information is regarded one of them. The error in the interpretation of Law No. 08/1974 on PNS Oath showed that the bureaucratic activity is not something by its nature (commanded law), instead by the command of Supervisor (Heads of SKPD) must be kept secret; so that in fact the concept on “state secrets” is a creation of the bureaucracy, and bureaucrats have always defended this principle very fanatically (Gerth and Mills, 1958).

Second, budget management document is considered as confidential state document, thus can only be granted if there is a recommendation or disposal from the Mayor or Regional secretary. The existence of the reason at least indicates that the long bureaucratic system, tending to “glorify” the hierarchy of decision-making, has made the Heads of SKPD reluctant to disclose the information without any recommendation/disposition from his supervisor. The application of the principle of hierarchy actually causes bureaucratic apparatuses to be passive and “robotic” than to be a creative innovator, become risk-overs rather than risk-taking (Setyono, 2004).

Third, there are policies whose financing is not in the budget contained in the DPA SKPD so that the funds were taken from other budget items thus making the whole budget report a mere formality. Such reason indicates the existence of budget abuse practices, suited (if not forged) financial accountability (not according to the real use), or even mark up of the price of goods which is common in bureaucracy. In such cases, the integrity of public officials can actually be questioned. Conflicts of interests generally become a source of corruption, occurring when public officials abuse their authority to make decisions not in the interest of the public, but for the sake of personal interest, or of political parties, religious organizations or companies (Haryatmoko, 2011).

Fourth, the culture of financial administration system that has developed in the bureaucracy for long shows that budget management documents can only be known in internal bureaucracy, including Head of SKPDs, Secretary of SKPDs, Subsection Head of Finance, and Treasurer, as well as audit institutions. The emergence of this contention occurs because of misinterpretation of Law No. 17/2003 on State Finance, in which financial documents can only be known and audited by BPK, BPKP or inspectorate as mandated by Law No. 15/2004 on the Audit of State Financial Management and Accountability. Whereas with the birth of Law No. 14/2008 on DPI, and Minister of Home Affairs Decree No. 188.52/1793/3J on the Improvement of Transparency of Regional Budget Management, verily financial statements is one of four public information required (without any request) to be announced to the public on a regular basis (Article 9 (c), Law No. 14/2008 on the DPI) and not included in the exempt information (confidential) (Article 14, Law No. 14/2008 on the DPI).
Fifth, budget management documents such as Budget Plan (RKA SKPD) is a document in the planning stage thus still tentative, meaning there will be many changes and if disclosed to the public it will be difficult to account. It is also feared to encourage misinterpretation by the public, which in turn can break the stability of governance by the concerned SKPD.

Sixth, the budget management document cannot be accessed by the public due to the non-existence of rules, both Regional or mayor Regulations compelling the documents such as RKA, DPA and the LRA to be published. The reason given is true, since the research found that Kupang Municipal Government did not have a legal set on the disclosure of public information (DPI), stipulating the establishment of its infrastructure. In this case the bureaucratic officials faced with a dilemma: if too subject to the Law, they will popularly be called bureaucratic; yet since it not written in the book of law, if they believe in the initiative to realize the spirit of humanity, they will popularly be considered to abuse their power, for interfering the prerogative of the legislature (Bendix, 1980).

The aforementioned facts and reality show that the development of the principle of confidentiality in regional financial governance occurred as the result of budget mystification. Fuady in Wildavsky and Caiden (2012: xivii) said that budget mystification occurs because (1) there is a notion that budget is a complex and exacting problem. To understand it, one must have a certain level of education and skills because budget has a system, structure, and mechanism commonly can only be understood by those with particular skills. (2) the budget is an affair solely monopolized by government; so unfortunately (or fortunately?) the access to budget documents is not shared by everyone. The mystification is not entirely true, because the element of transparency in budget management process is the most important requirement for the realization of budget democracy, since this aspect is demanded by the working mechanism of a democratic political system, where the openness or transparency is important to be provided by the state. Therefore the principle of transparency is important for the local government to make it accountable to the locality through democratic procedure (Smith, 1985).

The reality illustrated above shows that the Government Bureaucracy of Kupang tend to place more emphasis on accountability aspects in hierarchy and professional manner, so that the flow of information in the bureaucracy is only for internal use (only for the bureaucrats themselves rather than for the public as the party being served). This was pointed out by Friederich that “officials work in all areas of more esoteric government services (more confidential, only known and understood by certain people)” (Denhardt and Denhardt, 2007). Therefore bureaucracy basically has an esoteric or secret principle, i.e. confidentiality in each activity (Denhardt and Denhardt, 2006).

Yet in today’s modern age, budget transparency becomes important for democratic countries because it makes the free flow of information available and easily accessible by those affected by the decision, and makes the information provided adequate, through the easily understood format and media (Best, 2005). What is proposed by Best, is later proven by the research of Susan (2007), showing that transparency should be provided through First, access to public information. However, the information must be really accessible in practice (well-documented, not exempted from publication); in addition, the publicity of such information must be confirmed to be understood by the public (for example, the media used must be credible, the distribution channels must be accessible) and must be given immediately. Second, various criteria of transparency should ensure a reliable and not fake information (correct, complete, structured, with understandable language). Third, there must be a certain awareness of the citizens that the administration can be transparent to them (information must reach them).

Through the disclosure of budget information, the public (community) can also participate by monitoring the activities of local budget management. This is important because as said by Finer (1941) the external control (public) is the best and only means to ensure accountability. One of the requirements of external control implementation is the openness or transparency of information externally. In this context Guy Peters proposes that there should be a published report, open to outsiders and/or independent organizations (legislators, auditors, public) (Haryatmoko, 2011).

What is said by Finer is later proven by the research of Djaha (2012) and Seger (2014) showing that the external control by the public will be much more effective to guarantee bureaucratic accountability compared to the hierarchical, professional, legal and political controls. Surely the transparency of budget management by the local government can provide positive benefits; it can increase public confidence in the bureaucracy (Sufiansyah in the Etzioni and Halevy, 2011: xxii) and can reduce unethical behavior or moral hazard of the bureaucrats, such as corruption and abuse of authority (Bertens, 2001). In line with the results of research conducted by Leganek (2011) the effect of the transparency of SAMSAT Drive-Through service is it can build public confidence in the police, and can improve the quality of the service itself, as well as close the possibility of corruption in the public service. Thus the principle of transparency is an absolute must to be implemented by any government institution if it is to rebuild public confidence in the institution and to improve the quality of services to the public.

CONCLUSION

Public budget Transparency is an effort to achieve the horizontal accountability between local government and people with the goal to increase public confidence in the bureaucracy and reduce unethical behavior or moral hazard of the bureaucrats on budget governance, such as corruption and power abuse, thus creating a clean, effective, efficient, accountable Local Government, responsive to the aspirations and interests of the community. Through an open (transparent) report to the public, they can also participate in monitoring government performance.

The failure of Kupang Government in achieving transparency in their budget management is indicated by the lack of disclosure/opening of Kupang budget management information through online medium, and the high levels of secrecy/confidentiality of information
based on the result of public information disclosure access test. The reasons of public inaccessibility (over secrecy) are: first, the absence of rules both Regional and Mayor Regulations on the disclosure of public information. Second, the lack of human resources as the implementing officers of Law No. 14/2008 on DPI, i.e. PPID or Information Commission of Kupang. Third, the ineffective socialization of Permendagri No. 35/2010 on the Guidelines for the Information and Documentation Services Management in the Ministry of Home Affairs and Regional Governments. Fourth, the growing perception among the bureaucracy that the Budget document is “Confidential Documents” thus inaccessible or not given to outside parties (through publication or personal/Public request, as well as NGOs) and if the public wants to access it, a disposition/recommendation from the Mayor or Regional Secretary is necessary. Consequently if Kupang Municipal Government Bureaucracy wants to truly be a transparent organization, then four key elements are needed as affirmed by Oliver (2004), namely (1) a culture dedicated to openness and transparency-commitment from the most senior leaders in the organization; (2) a system stimulating and ensuring transparency at all hierarchical levels of bureaucracy, rewarding transparency and imposing penalties for administrative cheating, facts distortion, and information fraud; (3) Workers, managers and administrators, trained in all levels of the organization, and doing and saying the right thing with wisdom, integrity, confidence, transparency, and security; (4) a proactive communication channel for stakeholders of the organization. This is important because transparency can create accountable government, free from corruption (Kim, Halligan, Cho, and Oh: 2005). However, how far the four key elements are related to the level of transparency of an organization still needs further research.

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