

**IMPLEMENTATION OF A REGIONAL REVENUE AND EXPENDITURE  
BUDGETING SYSTEM BASED ON HOME AFFAIRS REGULATIONS NUMBER  
21 OF THE YEAR 2011 IN THE SECRETARIAT OF THE INDONESIAN  
BROADCASTING COMMISSION FOR EAST JAVA**



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**Abstract**

The study aims to determine the implementation of the Regional Revenue and Expenditure Budget system based on Home Affairs Regulations Number 21 of the Year 2011 and standard cost analysis, as well as to determine the accountability reporting process based on Government Regulation No. 8 of 2006 and Government Accounting Standards. To get results based on these objectives, the researchers use a problem-solving method. Data were obtained from interviews conducted by the researchers with the Regional Work Unit in the broadcasting sector. The results of the study indicate that in the preparation of a performance-based Regional Revenue and Expenditure Budget (APBD), budgetary principles such as budget transparency and accountability, budget discipline, budget justice, budget effectiveness, and efficiency must be considered. The budget uses a performance model that prioritizes productivity achievement/results. The Regional Revenue and Expenditure Budget (APBD) is prepared based on performance, meaning that the government has made changes. These changes lead to an increase in the quality of social services and an increase in productivity. These two objectives encourage local governments to improve the institutional performance of the Regional Indonesian Broadcasting Commission (KPID) Secretariat.

**Keywords:** Regional Revenue, Expenditure Budgeting System, Home Affairs, Regulations

## INTRODUCTION

There are various demands for good governance, not only by the central government but also by regional governments, so regional autonomy has emerged to date. This is due to changes in the political, social, and economic system that occurred in Indonesia after the 1998 reform (Gagola et al., 2017). This call is recognized and implemented directly by regional and central managers. All of these demands ultimately demand the ability of local governments to distribute resources efficiently and effectively (Handayani & Nuraina, 2012).

Budgeting reform occurs due to the emergence of a new paradigm in budget formulation that emphasizes the principles of public accountability, public participation, and budget transparency (Anessi-Pessina et al., 2016). The budgeting system is very important because there are fundamental changes in the management of the Regional Revenue and Expenditure Budget (APBD) (Tulangow & Runtu, 2016). The public sector budget is an accountability instrument that is responsible for the management of public funds and the actualization of programs financed from public money. A budget is a managerial plan for action in order to facilitate the achievement of the goals of an organization, which suggests the need for a change from a traditional budget to a performance budget (Johansson & Siverbo, 2014). So far, the determination of budgeting has been carried out by each regional government using incremental strategies and line items. This system is used to determine the amount of funds planned so that next year it will be based on last year's budget. The problem with this strategy is the lack of attention to value for money so that at the end of the financial year there are often advantages or disadvantages, which means pros and cons of budgets that can change the efficiency and effectiveness of budget use (Rakhman, 2019).

In a situation where the budget is used so that performance evaluation, the budget (budget) is a measure of actual performance compared to preparations that have been prepared in advance in the form of work programs and activities. Performance-based budgeting links each investment into production activities and results, including the effectiveness of achieving these results (Surianti & Dalimunthe, 2015).

Performance measurement is one method that local governments can use to achieve good governance (Bititci et al., 2012). Performance measurement is a vital element because it will provide feedback on the plans that have been implemented (Micheli & Mari, 2014). The East Java Provincial Government is one of the Provincial Governments which in

managing its area consists of 47 Regional Government Work Units (SKPD). In the implementation of regional governance, the Governor and Deputy Governor are supported by Regional Apparatus which includes the Regional Secretariat, Regional People's Representative Assembly (DPRD) Secretariat, Regional Office, and Regional Technical Institutions. In general, regional apparatuses or often referred to as Regional Work Units (SKPD) play a role in supporting the categorization of policies, coordination, and implementation of policies that are regional matters (Sofyani & Akbar, 2013).

East Java Province in financial and asset management has also formed the Regional Financial and Asset Management Agency (BPKAD), which functions to assist the East Java Provincial Government in managing regional finances and assets (Sijabat et al., 2014). BPKAD coordinates all levels of agencies under the province in terms of managing their finances and assets. In order to see the performance of these government agencies, it can be done by looking at the accountability reports of the coordinated agencies. According to the Audit Board of the Republic of Indonesia (BPK) report, the position of the financial statements of the province of East Java in 2010 and 2011 provides an adequate basis so that the opinion and budget realization report is presented fairly, in accordance with the Government Accounting Standards, but has not established the criteria and methods for depreciation of fixed assets as of December 31<sup>st</sup>, 2011 and 2010. It needs to be corrected immediately so that it is implemented in the following years in order to maintain transparency and accountability of regional finances (Sari, 2015).

The Regional Indonesian Broadcasting Commission (KPID) of East Java, is one of the SKPDs in the province of East Java which has a vision and mission: The vision of the KPID is: "To be the main supporting capacity for the realization of the credible and reliable performance of the Indonesian Broadcasting Commission in East Java". the realization of the vision of the Regional Indonesian Broadcasting Commission (KPID) Secretariat of East Java Province, then a mission is drawn up which is the responsibility of the East Java Provincial KPID Secretariat (Lilis Anton, 2012). By this aim, it is hoped that all members of the organization and the parties concerned can understand, recognize the existence and role of government agencies in carrying out government tasks. The mission of the KPID is formulated as follows: 1) Carrying out professional human resource support in providing excellent service to East Java KPID. 2) Carry out support for complete and functional

facilities and infrastructure for improving the performance of East Java KPID. 3) Maintain an orderly administrative system support in the implementation of the duties and functions of the East Java KPID. 4) Maintaining solid support for East Java KPID programs (Doly, 2015).

As one of the SKPD in East Java Province, it is required to report its financial performance. In accordance with the Law Number 17 of 2003 and Law Number 1 of 2004 concerning State Treasury and PP No. 58 of 2005 concerning Regional Financial Management Year, then starting in 2005, the Head of the SKPD as a Budget User (PA) has the authority as an authorizer like an Ordinator for each of his budgets, as a result, from programming to accountability for compulsory calculations, he can regulate himself by approaching the results of activities.

Based on data from [www.kpi.go.id](http://www.kpi.go.id), the regional expenditure of the East Java Middle East Media Commission continues to grow exponentially, but is not in line with the size and priority budget ceiling. This is due to ambiguity in the performance of the same work, but there is an imbalance in the amount of budgets in some parts of the Department of Foreign Affairs (Ernayani, 2017). Therefore, it is important that State Expenditure Analysis (ASB)'s work is carried out for budget injustice and unfairness between the same activities between programs and between SKPDs, resulting in uncertain performance definitions, variability in production performance, time differences. implementations, variations in resource requirements, and denial of differential treatment or product details (Abdullah & Halim, 2018).

In connection with that matter, Law No. 32 of 2004 Regarding State Government as an amendment to Law Number 22 Year 1999, states the need for State Expenditure Analysis (ASB) for the management of the country's economy. ASB is a method of justifying the financial capacity of regional rulers as a result of reducing the inefficiency of calculations and increasing calculation capabilities (Choi et al., 2010). The role of ASB in the categorization of calculations for regional authorities is to ensure the habitual weight of activities and fees used by SKPD assistants in carrying out such activities (Fisher & Wassmer, 2015).

Responding to the various problems mentioned above, the preparation of the budget must pay attention on Home Affairs Regulations No 21 of 2011 as the second amendment

to Home Affairs Regulations No. 13 of 2006 Article 39, namely “The preparation of RKA-SKPD with a work performance approach is carried out by taking into account the linkage between funding and outputs and expected outcomes of activities and programs including efficiency in achieving these outputs and outcomes”. The purpose of this research is to know the implementation of a Regional Income and Expenditure Budgeting System Based on Minister of Home Affairs Regulations Number 21 of the Year 2011 in the Secretariat of the Indonesian Broadcasting Commission for East Java, in order to recognize the implementation of the Regional Revenue and Expenditure Budgeting System (APBD) implementation based on cost standard analysis, and to know the accountability in the form of financial reporting in accordance with Government Regulation No. 8 of 2006 and Government Accounting Standards so that it can be carried out completely, correctly, and consistently (Freeman & Rensburg, 2006).

## **REVIEW OF LITERATURE**

### **Regional Autonomy**

Regional autonomy, as it is today, the independence of each region is an unavoidable urge. Given the authority that has been transferred by the central government to regional governments in regulating their respective regional governments, so that resource readiness must be handled (Teak, 2012). The APBD, hereinafter referred to as the Regional Revenue and Expenditure Budget, is the most important policy instrument for the regions (Darmantyo, 2018). The APBD has a main function in planning, implementing, and regulating the performance of the Regional Government in 1 (one) period. APBD contains all forms of regional revenue and financing in the form of monetary or Rupiah (Setiawan et al., 2018).

### **Regional Expenditures**

Based on Law No. 33 of 2004 regarding the balance of state finances between the central government and local governments, state expenditures benefit all state debt that is recognized as depreciation of net assets during the year. Details can be divided into 2 forms, logical behavior and logical use. Based on the nature of the economy, state spending consists of personnel and financial expenditures, subsidies, grants and social assistance. Basically, regional government spending consists of two things (budget allocation), as follows: a) Routine expenditures, a kind of financing to maintain or carry out daily government

functions; b) Development expenditure, is the financing for regional development as a government activity in increasing the safety of citizens.

There is a change in the structure of local government spending (Kepmendagri Number 29 of 2002) is explained as follows: a) Regional apparatus spending is expenditures for ordinary administration, shopping for surgery and care, and spending capital or those allocated to or used to help finance activities whose results, benefits and impacts are not directly enjoyed by the community; b) Public service spending is expenditures for ordinary administration, for surgeries and treatments, and spending capital or those allocated to or used to assist activities whose results, benefits and consequences are directly enjoyed by residents (the public).

### **Public Sector Budget**

The government must have a mature plan in order to achieve a desired goal. The government budget (public sector) is an instrument of accountability for the management of public funds and the implementation of programs financed with public money (Johansson & Siverbo, 2014). The definition of government budget (public sector) is: a) Financial operating plan, which is drawn up by the executive in order to finance the activities of a unit; b) Guidelines for the implementation of activity financing and revenue plans in rupiah units carried out by government officials together with the people; c) In the budget or budget, it is stated the expenditure plan and where the sources of revenue are so that these expenses are obtained; d) From the realization of the budget implementation, budget calculations can be carried out, in the sense of comparing the budget with the realization and being accountable for it. Because the budget concerns the interests of the wider community, its preparation, implementation, and calculation must be approved or endorsed by the legislative body.

### **Functions and Types of Public Sector Budgets**

According to Saputro (2016) public sector budgets can function as follows: a) Planning Instrument; b) Control Instruments; c) Fiscal Policy Instruments; d) Political Instruments; e) Coordination and Communication Instruments; f) Performance Appraisal Instrument; g) Motivating Instrument; h) Instruments for Creating Public Spaces.

According to Saputro (2016) types of public sector budgets can be divided into 2, namely: a) Operational Budget, a calculation that contains the concept of daily wishes by the central or regional authorities to carry out government activities. Operating expenses are part

of the operating budget. Operational expenditure is shopping whose use is only for one calculation period and is not intended to increase the legacy of government assets; b) Capital or investment budget, calculations that contain the concept of long time and the expenditure of assets always, such as buildings, equipment, transportation instruments and office furniture. Capital expenditure is part of the capital or investment budget.

### **Public Sector Budget Formulation Process**

The preparation and implementation of the annual budget is the arrangement of the method for calculating the budget (Indrawati, 2010). The budget preparation process functions so that: a) Help the government achieve its fiscal goals and improve coordination between parts of the government; b) Helping to produce efficiency and fairness capabilities in providing public goods and services through a process of prioritization; c) Allowing the government to fulfill spending priorities; d) Increase transparency and government accountability to the DPR / DPRD and the wider community.

The main issue in the budget process Indrawati (2010) is: a) Goals and objectives; b) Access to government resources; c) The time it takes to achieve goals and objectives; d) Other factors that affect the budget, such as the emergence of recent government regulations, market fluctuations, social and political changes, natural disasters, etc.

### **Principles in the Budget Cycle**

The main principles of the budget cycle need to be well known and mastered by the government. The budget cycle includes four stages consisting of (Korompot & Poputra, 2015): a) Budget preparation stage; b) Approval stage (approval/ratification); c) Implementation stage (implementation); d) Reporting and evaluation stage (reporting and evaluation).

### **Regional Revenue and Expenditure Budget (APBD)**

The implementation of regional government affairs in the context of implementing decentralization is funded by the APBD (Erlina et al., 2017). Development financing by the Regional Government is budgeted through the APBD, which is the Regional Government's annual financial plan which is discussed and agreed upon by the Regional Government and the Regional People's Representative Council and stipulated by Regional Regulations or it can also be interpreted as a Regional Government work plan which is manifested in the form of money (rupiah) for a certain period walk. In essence, the APBD is one of the policy

instruments used to improve public services and community welfare in the regions and improve public services in accordance with the objectives of broad, real and responsible autonomy, Budget System and Procedure for Preparation of APBD General Policy (KUA) (Setiawan et al., 2018).

Guidelines for preparing APBD based on Home Affairs Regulations 13/2006 article 83 as referred to in paragraph 1 concerning “The regional head prepares a draft KUA based on the RKPD and guidelines for preparing the APBD which is stipulated by the Minister of Home Affairs every year”. The guidelines for the preparation of the APBD as referred to in paragraph 1 contain, among others: a) Policy points containing synchronization of government policies with local governments; b) Principles and policies for drafting APBD for the relevant fiscal year; c) APBD preparation techniques; and e) Other special things.

## **RESEARCH METHOD**

This type of research is research with a case study model with problem solving research methods. According to Darmalaksana (2020), a case study is a research on a research topic related to a particular aspect or all aspects of an individual and the research subject can be an individual, group, organization or community. The research subject is a Regional Work Unit in the broadcasting sector which was established in 2009 and has a budget for the Facilitation of the Regional Indonesian Broadcasting Commission and Office Administration. This is because researchers have access to carry out research there. The main focus in this study is on the issue of budgeting and financial reporting. The problem-solving method is monitoring problems and finding a way out by fixing the root of the problem on an ongoing basis.

This study uses two data sources, namely; Primary data, namely data obtained directly from the source by means of interviews or interviews; and secondary data, namely data obtained by the company profile as a company and data regarding budgets, budget preparation and financial reporting. Data collection techniques in this study used three techniques, namely interview techniques, observation, and documentation study, in order to obtain primary and secondary data.

This study was conducted by researchers using data analysis techniques with interactive models according to Miles, Huberman in (Saldana, 2014) namely data

condensation, data presentation, and drawing conclusions. The next step after data condensation is related to the implementation of the Regional Revenue and Expenditure Budget Formulation System based on Home Affairs Regulations number 21 of 2011 at the Secretariat of the Indonesian Broadcasting Commission in East Java, Preparation of Regional Revenue and Expenditure Budget at the Secretariat of the Indonesian Broadcasting Commission in East Java in terms of analysis cost standards, and accountability in the form of financial reporting in accordance with Government Regulation No. 8 of 2006 and Government Accounting Standards. In presenting the data in the study conducted, it is with brief descriptions and tables. The third important analytical activity is to conclude and verify. At this stage, the researchers compare the data that has been obtained from the results of interviews, observations, and study documentation that is in the presentation of the data, so that the researchers can draw conclusions from the results of the studies that the researcher has carried out.

## **RESULTS AND DISCUSSION**

### **Implementation of the Regional Revenue and Expenditure Budget Formulation System (APBD) based on Home Affairs Regulations Number 21 of 2011**

The implementation is in accordance with the principles of Budget Formulation for the Secretariat of the Indonesian Broadcasting Commission for the East Java Region. Based on the results of the interview, it was stated that the KPID of East Java Province was also based on the eight accounting principles mentioned in Government Regulation Number 24 of 2005 and mentioned again in Government Regulation Number 71 of 2010 concerning Government Accounting Standards. The eight principles in the preparation of Government financial accounting are basically similar to the principles of financial accounting in private or commercial companies. These principles are the standard provisions used by the parties involved in the preparation of financial statements. In addition, these principles can be used in order to understand the financial statements presented by a Government institution.

Furthermore, regarding the suitability of the preparation of the revenue and expenditure budget of the secretariat of the Indonesian broadcasting commission in the area of East Java with government accounting standards based on the results of the interview there were problems, a mismatch between Home Affairs Regulations No. 13 of 2006 with SAP

being the first, the estimated cost accounting chart is not in accordance with the desired financial reporting format, for example the LRA model no longer presents direct and indirect costs but only shows operational costs. Second, the cost accounts for machines and machines are not clearly defined, whereas the LRA will disclose these costs. Third, it does not explicitly define the differences between the general accounting system, the BUD / Kasda accounting system, and the SKPD accounting system. Fourth, the basis for recording each customer is the SPJ from the cashier, while the basis for the first bookkeeping is the documents that are accurately quoted (SPM-SP2D, STS, Debit Note, Credit Note). Fifth, the financial statement structure is not stable in the draft account forecast, so variations and changes should be made when preparing the financial statements.

### **Implementation of the Regional Revenue and Expenditure Budget Formulation System (APBD) based on Standard Cost Analysis**

Government Accounting Standards according to Bastian (2010: 137), requirements that have legal force in an effort to improve the quality of government financial reports in Indonesia. Based on the results of the interview, it can be said that there is still a mismatch between accounting policies that have not followed SAP regarding policies related to inventory and fixed assets in financial activities, especially in budget reporting at KPID of East Java Province. Furthermore, regarding the performance-based budgeting approach, based on the results of the interviews, it shows that in the budgeting that has been carried out by the East Java KPID, a separate budget achievement or target has also been determined.

The performance budgeting design that provides the best benefits for the community is called Value for Money (VFM). According to Mardiasmo (2009: 4) the definition of Value for Money is a concept of organizational management that is fundamental to three main elements, namely economy, efficiency and effectiveness. The concept of VFM is intended to provide assurance that the community has received maximum benefits from budgeting for the goods and services needed as well as the human resources used to carry out activities. Some elements may have subjective properties, be difficult to measure, do not have a form and be misinterpreted. Therefore, a reason is needed in order to determine whether the Value for Money (VFM) has been achieved properly or not.

At this stage of the planning and budgeting process, the Regional Government Work Plan (RKPD) forms the basis for the activity plans carried out by every government agency

and agency, including the SKPD that is under the Regional Government. Based on Home Affairs Regulations No. 27/2014 RKPD stands for Regional Apparatus Work Plans. RKPD is a regional planning document for a period of one year or what is called the annual regional development plan. The RKPD contains plans for the regional economic framework, the main programs in the area of regional development as well as funding work plans and forward estimates. In this case the RKPD for the KPID of East Java Province becomes an indicator in compiling performance achievements and the budget for carrying out its financial activities. The RKPD contains indicative draft regulations and funding plans.

APBD is an annual regional financial draft which is discussed and recognized by the Regional Government and DPRD, and passed along with regional regulations (Home Affairs Regulations No.13 of 2006). In this way, the various public interests are realized through various programs and at a special time the benefits will be felt by the community. The implementation of the budget plan in the APBD is used in order to achieve the work indicators set out in the KUA-PPAS, RKPD, and RPJMD documents. APBD implementation is said to be successful if it can achieve the results of the performance indicators that have been formalized. APBD implementation that can meet the stated objectives is effective budgeting. The report that points to the achievement of the performance of the APBD implementation is LAKIP (Government Agency Performance Accountability Report).

At the cost and cost behavior stage, it shows that the depreciation of fixed assets is necessary so that it can provide real information on the state of the book value of fixed assets, so that it can help in making decisions. Another alternative is because there are many old and damaged assets that can be inventoried so that assets can be written off.

### **Financial Reporting in accordance with Government Regulation No. 8 of 2006 and Government Accounting Standards**

According to Osadchy et al. (2018), financial statements are data that explain the financial matters of a company, and further this information can be used as a picture of the company's financial performance. The financial reports prepared by the SKPD consist of a Budget Verification Report (LRA), a balance sheet, and a financial report that is prepared based on the APBD budget structure in accordance with Home Affairs Regulations No. 21 of 2011. So, there is a difference in the structure of income and expense accounts compared to Government Accounting Standards.

**Table 1**  
**Comparison of PAD-Related Policies**

| <b>Home Affairs Regulations No. 21 of 2011<br/>Revenue</b> | <b>Government Regulation No. 24 of 2005<br/>Government Accounting Standards<br/>Revenue</b> |
|--|---|
| <b>Locally-Generated Revenue:</b>                          | <b>Locally-Generated Revenue:</b>   |
| Local Tax  | Local Tax   |
| Retribution  | Retribution   |
| Results of Separated Regional Wealth<br>Management         | Results of Separated Regional Wealth<br>Management  |
| Other Legal PAD  | Other Legal PAD   |

Source: Home Affairs Regulations No. 21 of 2011

Locally-Generated Revenue, which is the SKPD's authority to book and report it into the LRA, as in the table above, there is no difference.

**Figure 1**  
**Comparison of Policies Related to Expenditures**

| <b>Home Affairs Regulations No. 13 of 2011 Expenditures</b> |   | <b>Government Regulation No. 24 of 2005 Government Accounting Standards of Expenditures</b> |
|---|---|---|
| <b>A. Indirect Expenditures</b>                             |   | <b>A. Operational Expenditures</b>  |
| 1. Employee Purchase  | → | 1. Employee Purchase  |
|   | → | 2. Goods Purchase   |
|   |   | 3. Interest   |
|   |   | 4. Subsidy  |
|   |   | 5. Grant  |
|   |   | 6. Social Assistance  |
| <b>B. Direct Expenditures</b>                               |   | <b>B. Capital Expenditures</b>  |
| 1. Employee Purchase  | → | 1. Land Purchase  |
| 2. Goods and Services Purchase                              | → | 2. Equipment and Machinery Purchase   |
| 3. Capital Purchase   | → | 1. Building Purchase  |
|   |   | 2. Roads, Irrigation and Networks Purchase  |
|   |   | 3. Other Fixed Assets Purchase  |
|   |   | 4. Other Assets Purchase  |

Expenditures are SKPD's ability to register and submit to the LRA. There is a difference in recognition of expenditures according to Home Affairs Regulations No. 21 of 2011 with Government Regulation No. 24 of 2005 About SAP Expenditure: a) Indirect Expenditure is not recognized in the structure on the SAP format. In Government Regulation No. 24 of 2005 Indirect Expenditures which consist of Personnel Expenditures are included from operating expenses; b) In Direct Expenditure there are the following differences: From the direct cost component, namely the employee cost to the operating cost component, the employee cost account, from the direct cost component, to the cost of goods and services incurred in the procurement component, and from the direct expenditure section, namely the capital expenditure account to the capital expenditure section.

In Government Regulation No. 24 of 2005 concerning SAP, reporting of expenditure realization in the LRA is not based on programs and activities, as is the classification of direct expenditure in the APBD, but is also categorized as a direct APBD expenditure budget, but

for the explanation of the APBD Realization Report, expenditures must be in line with programs and activities. So it is necessary to make two versions of LRA reporting, namely based on Home Affairs Regulations No. 21 of 2011 based on Government Regulation 24 of 2005 as described above.

**Figure 2**  
**Comparison of Asset-Related Policies**

| <b>Home Affairs Regulations No. 13 of 2006<br/>Current Assets</b> |  | <b>Government Regulation No. 24 of 2005<br/>Government Accounting Standards of<br/>Expenditures<br/>Current Assets</b> |
|---|--|--|
| <b>Cash</b>   |  | 1. Cash in the Treasury of Admissions  |
| 1. Cash in the Treasury of Admissions                             |  | 2. Cash in the Spending Treasurer  |
| 2. Cash in the Spending Treasurer                                 |  | 3. Short Term Investment   |
| <b>Short Term Investment</b>                                      |  | 4. Tax Receivables   |
| 1. Investment in Shares   |  | 5. Retribution Receivables   |
| 2. Investment in Bonds  |  | 6. Current Section Loans to state companies  |
| <b>Accounts Receivable</b>  |  | 7. Current Portion Loans to regional companies   |
| 1. Tax Receivables  |  | 8. Current Port Loans to the central government  |
| 2. Retribution Receivables  |  | 9. Current Port Loans to other local governments   |
| 3. Other Receivables  |  | 10. Current Section installment sales invoice  |
| <b>Supply</b>   |  | 11. Current Section treasury claims  |
| 1. Office stationery supplies                                     |  | 12. Current Section claims for damages   |
| 2. Electrical supplies  |  | 13. Other Receivables  |
| 3. Material supplies  |  | 14. Supply   |
| 4. Postal Goods Inventory   |  |  |
| 5. Fuel Supply  |  |  |
| 6. Stock of Staple Foods  |  |  |

Based on the picture above, it can be concluded that in order for SKPD, there is no difference in the current asset group.

**Figure 3**  
**Comparison of Asset-Related Policies**

| <b>Home Affairs Regulations No. 21 of 2011<br/>Fixed Assets</b> |   | <b>Government Regulation No. 24 of 2005<br/>Government Accounting Standards of<br/>Fixed Assets</b> |
|---|---|---|
| 1. Land   |   | 1. Land   |
| 2. Equipment and Machinery                                      |   | 2. Equipment and Machinery  |
| 3. Buildings  | — | 3. Buildings  |
| 4. Roads, Network, and Installation                             |   | 4. Roads, Irrigation and Networks   |
| 5. Other Fixed Assets   |   | 5. Other Fixed Assets   |
| 6. Construction in Progress                                     |   | 6. Construction in Progress   |
| 7. Accumulated depreciation                                     |   | 7. Accumulated depreciation   |

The differences in Fixed Assets exist in the road, network and installation group based on the account in Home Affairs Regulations No. 21 of 2011, while based on the format Government Regulation No. 24 of 2005 the same groups are Roads, Irrigation and Networks. If we look closely at the structure of the Home Affairs Regulations No. 21 of 2011, what is meant by the network including the irrigation network, there is actually no big difference between the two.

**Figure 4**  
**Comparison of Policies Related to Other Assets**

| <b>Home Affairs Regulations No. 13 of 2006<br/>Other Assets</b> |   | <b>Government Regulation No. 24 of 2005<br/>Government Accounting Standards of<br/>Other Assets</b> |
|---|---|---|
| 1. Installment sales receivables                                |   | 1. Installment sales invoice  |
| 2. Regional claims for compensation                             | → | 2. Treasury claim   |
| 3. Partnership with third parties                               | → | 3. Claims for compensation  |
| 4. Intangible assets  |   | 4. Partnership with third parties   |
| 5. Other assets   |   | 5. Intangible assets  |
|   |   | 6. Other assets   |

Comparison of Other Asset groups shows that the Government Regulation model no. 24 of 2005 separates Treasury Claims and Compensation Claims, while Home Affairs Regulations No. 21 of 2011 only exists for State Complaint Claims without classifying them into two groups such as Government Regulation No. 24 of 2005. Therefore, it is necessary to make alternatives as stated in the transaction transaction to separate it into two groups such as Government Regulation No. 24 of 2005.

**Table 2**  
**Comparison of Policies Related to Liabilities**

| <b>Home Affairs Regulations No. 13 of 2006 Liability</b> | <b>Government Regulation No. 24 of 2005 about Liability SAP</b> |
|--|---|
| A. Short Term Liabilities                                | A. Short Term Liabilities                                       |
| 1. Third party accounts payable                          | 1. Third party accounts payable (PFK)                           |
| 2. Down payment from the Regional Treasury *)            | 2. Interest Debt  |
| 2. Interest Debt   | 3. Current Portion of Domestic Debt                             |
| 3. Tax Debt  | 4. Current Portion of Other Long-Term Debt                      |
| 4. Current Portion of Long-Term Debt                     | 5. Other Short-Term Debt  |
| 5. Income received in advance **)                        |   |
| 6. Other Short-Term Debt                                 |   |

Based on the table above, it can be explained as follows: a) In Home Affairs Regulations No. 21 of 2011, there is a down payment from the Regional Treasury. If what is meant is a cash transfer from the BUD, it will be recognized/ recorded as RK-Center which is part of the equity funds account in the SKPD; b) In Home Affairs Regulations No. 21 of 2011, there is an unearned income/ deferred income. This occurs from revenue transactions received by the receiving treasurer that have not been deposited into the regional treasury. However, in the event of a transaction, it is recognized/ recorded as deferred income to be added to the current funds group. However, if the account comes from another customer that causes revenue to be received in advance, the account can be converted to Short-Term Liability under Government Regulation No. 24 of 2005.

In the table above it is known that there is no difference between Home Affairs Regulations No. 13 of 2006 and Government Regulation 24 of 2005 in the equality on the balance sheet section. Accounts Receivable Funds for Short-Term Debt Payment are accounts that are in conflict with Fund Accounts Fund.

## **CONCLUSION**

In the process and preparation of KUA, PPAS, RKA-SKPD at the KPID Secretariat, it is hoped that the previous budget preparation reports can be improved by adjusting the preparation and presentation process in accordance with Home Affairs Regulations No. 21 of 2011. Then the corrective steps that can be taken are as follows:

KPID Secretariat officials/ employees are expected to understand Home Affairs Regulations No. 21 of 2011 by attending training or technical guidance on Budget Formulation and disseminating it to all KPID Secretariat officials.

The absence of a depreciation system at the Regional Indonesian Broadcasting Commission Secretariat will result in inaccuracy of financial reports which will impact management policies. The depreciation system of assets should be implemented at the Regional Indonesian Broadcasting Commission Secretariat so that old and non-functioning assets can be removed from the books.

With the change in the organizational structure, the KPID Secretariat experienced delays in the implementation of the 2012 budget year APBD so that what the KPID Secretariat had to do in order to cover all of that was needed a policy from the Regional Head so as not to drag on in resolving this problem.

The guideline for preparing AKB is to determine dimensions or markers of target success and expenditure functions. Because activities and expenses are carried out at each Regional Work Unit (SKPD), the ability is interpreted to describe the level of income of implementing an activity (program and policy) in creating targets, goals, visions and objectives of that part of the activity. Law No. 17 states that the SKPD work plan is prepared on the basis of work. To support this policy, it is necessary to establish a system that can provide data and information so that the preparation of the APBD is based on a performance model. With this system, local governments can measure their financial performance according to the APBD. In order for the system to work properly, it is necessary to set ASB, performance standards and price levels. In the APBD categorization platform, the ability of the regional ruler is obliged to pay attention to the principles of budgeting, namely, clarity and accountability of calculations, complying with calculations, equality of calculations, ability, and usefulness of calculations. Calculations are prepared using the ability approach that prioritizes income from outputs or outcomes. By preparing the APBD with the capability platform, it means that the government has made changes. The changes that occur have become a pioneer in improving the quality of social services in line with increased productivity. These two goals encourage local governments to increase institutional capacity at the KPID Secretariat, equality of calculations, ability and utility of calculations.

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