

A. Introduction

State Finance is a very vital institution in a country, because this institution is closely related to the goals of the state and how the state treasury which is filled with people's money is managed to turn the wheels of government and development. If state finances are not managed properly, the logical consequences of state objectives will not be achieved. Financial management is one of the keys to successful development and administration of government within the framework of nation and state building. The existence of good financial management will guarantee the achievement of development goals in particular, and the goals of the nation and state in general. Therefore financial management has meaning, benefits and a great influence on the fate of a nation because all the policies adopted in financial management can result in the prosperity or decline of a nation.

Central government policies, especially policies on state finances, must involve local governments. This is because regional financial performance and management currently occupy an important position in the regional government empowerment strategy, especially in realizing the implementation of regional autonomy and realizing broad, real and responsible decentralization. The demand for good public money management is the main issue that must be carried out by local governments in realizing the goals of clean government, where good regional financial management is the ability to control regional financial policies economically, efficiently, transparently and accountably.¹

Regional financial management has been regulated in Permendagri No. 13 of 2006² as a substitute for Ministerial Decree No. 29 of 2002 concerning Guidelines for Management, Accountability and Supervision of Regional Finances and Procedures for Compiling the Regional Revenue and Expenditure Budget, Implementation of Regional Financial Administration and Compilation of Regional Revenue and Expenditure Budget Calculations. The regulation of these rules is felt to be very difficult in terms of implementation because besides it takes time to study and understand, the next obstacle is the existence of implementing regulations that have not been issued, namely Permendagri Number 59 of 2007 which is a regional financial regulation which includes regional financial management powers, general principles and structure of APBD, drafting of APBD, determination of APBD, preparation and determination of APBD for regions that do not yet have DPRD, implementation of APBD, changes to APBD, cash management, regional financial administration, regional financial accounting, accountability for APBD implementation, guidance and supervision of financial management regional losses, regional losses and BLUD financial management, whether derived from laws or government regulations themselves, have not yet been realized, but the government certainly cannot just wait by not implementing existing regulations. If this is done, it is certain that if there is an examination, then of course it will be a finding. Changes in the rules that are so fast will cause many problems in terms of regional financial management, especially in the final accountability of activities.³

In the end, those who really feel the impact are the people in the regions in particular and the people of Indonesia in general, as a result of the many regulations issued by regulators but then renewed, repealed, replaced again so that there is no legal certainty. This has also resulted in business risks in Indonesia and especially in the regions, causing many problems, one of which is the problem of weak key institutions in providing legal certainty. It is these changes to the implementation rules that are very troublesome to the implementation arrangements in the Manokwari District Government because of the changes to these rules. However, in this effort, the Polewali Mandar Regency Government conducted training and presented financial experts to overcome the lack of understanding of government officials in each existing work unit. Good regulation is important, because it is

¹ Wihana Jaya Kirana, *Analisis Potensi Keuangan Daerah* (Yogyakarta: PPPEB UGM Yogyakarta, 1999).

² *Peraturan Menteri Dalam Negeri Nomor 13 Tahun 2006 Tentang Pedoman Pengelolaan Keuangan Daerah*, 2006.

³ Menteri Dalam Negeri, *Surat Edaran Menteri Dalam Negeri Nomor SE.900/316/BAKD Tahun 2007. Tentang Pedoman Sistem Dan Prosedur Penatausahaan Dan Akuntansi, Pelaporan, Dan Pertanggungjawaban Keuangan Daerah*, 2007.

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hoped that it will create good governance, so that in making implementation rules it must also be professional and responsible, so it is not only the parties who will carry out that must obey or follow the rules. regulations but the regulators or rule makers do not want to hear, see and pay attention to best practices as well as holding public tests first, only then implementing them. So as not to make the apparatus in the area become confused. This is understandable because the local government apparatus only understood and implemented the regulations that were enforced in the 2003 fiscal year Kepmendagri No. 13 of 2006.

There are still many regions, including the Polewali Mandar Regency Government apparatus, who do not understand Minister of Home Affairs Regulation (Permedagri) No. 13 of 2006 which is one of the obstacles to the implementation of budgeting regarding Guidelines for Regional Financial Management. But this problem will not last long, as long as each region has a commitment to implement it immediately. Talking about regional financial management policies cannot be separated from decentralization and regional autonomy policies which are carried out by emphasizing the consequences of financial relations between the central government and regional governments. The issuance of Law no. 32 of 2004 concerning Regional Government in lieu of Law no. 22 of 1999 provides a new color basis for the implementation of regional governance. Regional financial management is based on Law no. 32 of 2004 is based on efforts to increase efficiency, effectiveness, accountability and transparency of public financial management both in terms of income and spending. The core of the changes that will be made include sharpening the essence of regional financial management in the regional government administration system which concerns the elaboration of regional rights and obligations in managing public finances, including mechanisms for preparing, implementing and administering, controlling and supervising, as well as regional financial accountability. The Regional Income and Expenditure Budget (APBD) is the annual financial policy of the local government which is prepared based on the applicable laws and regulations, as well as various other considerations with the aim of making the preparation, monitoring, control and evaluation of the APBD easier. On the other hand, the APBD can also be a means for certain parties to see or know the capabilities of the region both in terms of income and expenditure.⁴

Regional Financial Management is the whole activity which includes planning, implementation, administration, reporting, accountability, and supervision of regional finances.⁵ Regional financial management regulated in this ministerial regulation includes the authority to manage regional finances, general principles and structure of APBD, drafting of APBD, determination of APBD, preparation and determination of APBD for regions that do not yet have DPRD, implementation of APBD, changes to APBD, cash management, financial administration area, regional financial accounting, accountability for the implementation of APBD, guidance and supervision of regional financial management, regional losses, and BLUD financial management.

Regional financial management begins with the planning/composition of the regional expenditure revenue budget (APBD). APBD is prepared in accordance with the needs of government administration and the ability of regional revenues. The preparation of the APBD is guided by the RKPD in order to provide services to the community to achieve state goals. The APBD has the functions of authorization, planning, supervision, allocation, distribution and stabilization. The APBD, changes to the APBD, and accountability for the implementation of the APBD each year are stipulated by regional regulations. The APBD prepared by the local government has undergone a change from an incremental one to a performance-based budget in accordance with the demands of reform.

⁴ Republik Indonesia, *Peraturan Pemerintah Republik Indonesia Nomor 25 Tahun 2000 Tentang "Pengelolaan Dan Pertanggungjawaban Keuangan Daerah"*, 2000.

⁵ Kenneth Davey and Roy Kelly Devas, Nick, Brian Binder, Anne Booth, *Keuangan Pemerintah Daerah Di Indonesia* (Jakarta: UI-Press, 1989).

B. Research Methods

Starting from the problems and research objectives to be achieved, this study uses a quantitative method with a type of survey research⁶ with correlational analysis techniques to determine between the dependent variable and the independent variable.⁷ Therefore, the independent variables and the dependent variable in this study were not engineered, in other words, this research was in the form of the results of filling out instruments in the field.

C. Results and Discussion

Factors that will influence the successful implementation of Permendagri No. 13 of 2006 are:⁸

a. Regulation

Regulation is the respondent's perception of changes in rules, decisions and legislation in a short time, and these changes are very different from previous regulations. The frequent changes in regulations make it difficult for employees to carry out their duties, especially in terms of regional financial management.

b. Commitment

According to Hennis B. Simandjuntak, commitment is the ability to be responsible for things entrusted to someone. Commitment has nothing to do with talent, intelligence or talent. With a strong commitment, it will enable a person to expend additional physical, mental, and spiritual resources that can be obtained, otherwise without commitment, great works will be difficult to carry out. There are two main approaches to conducting commitment studies, which are explained in commitment research. The first is a behavioral approach (behavioral approach) which focuses on behavior related to commitment (manifested by action). Both approaches to attitude (attitudinal approach) aimed at identifying individuals with the organization and its goals (manifested in opinions and beliefs). In substance, the term commitment is loaded with values and goals. The term implies a process of how these values and goals are achieved or in other words commitment is a condition for success. In relation to this research, commitment is seen as a belief and strong support for the successful implementation of new regulations.⁹

c. Human Resources/Individual Characteristics

According to R. Matindas, Human Resources are the unit of human resources in an organization and not just the sum of existing employees. As a unit, human resources must be seen as a system in which each employee is a part that is interrelated with one another and together functions to achieve organizational goals. According to Wiley, defines that 'HR is the main supporting pillar as well as the driving wheel of the organization in an effort to realize the vision and mission and goals of the organization'.¹⁰ Human Resources is a very important organizational element.¹¹ Therefore it must be ensured that these human resources must be managed as well as possible in order to be able to contribute optimally in efforts to achieve organizational goals.¹² HR is measured based on the educational background obtained by respondents, understanding of their duties, readiness to make changes in the process of preparing financial reports.

d. Support Device

Supporting devices are tools to support the implementation of activities or work such as computers, software and others. According to Kenneth and Jane (2005) "hardware is physical equipment used for input,

⁶ Dajan Anto, *Pengantar Metode Statistik* (Jakarta: Penerbit LP3ES, 1996).

⁷ Pujiurnomo, *Metodologi Penelitian* (Jakarta: Bina Aksara, 1994).

⁸ *Peraturan Menteri Dalam Negeri Nomor 13 Tahun 2006 Tentang Pedoman Pengelolaan Keuangan Daerah*.

⁹ H Benyamin, *Peranan Administrator Pemerintah Daerah* (Jakarta: LP3ES. Indonesia, 1995).

¹⁰ Ibid.

¹¹ H. John dan Joyce E.A. Russel Bernardin, *Human Resource Management: An Experiential Approach* (Singapore, 1986).

¹² Chisway Barry, *Human Resources Management (Manajemen Sumber Daya Manusia)* (Jakarta: PT. Elex Media Komputindo, 1994).

process and output activities in an accounting system. This hardware consists of a computer that processes, storage devices and devices to produce output and physical media to connect all these units. Meanwhile, software according to Kenneth and Jane is a detailed set of preprogrammed instructions that control and coordinate hardware components in an information system.

These supporting devices are measured based on the availability of supporting devices and their updates. The data collected in this study consisted of questionnaire results (questionnaire) to measure three variables, namely, regulation and commitment (X1), characteristics and supporting tools (X2), and regional financial management (Y).

1. Analysis of the Effect of Regulation and Commitment on Regional Financial Management

Based on the results of correlation and regression analysis, the results showed that there was a positive and significant relationship between regulatory variables and commitment to regional financial management at a significance of 0.05 or 5%. The results of this study are in accordance with several expert opinions including: Based on Permendagri No. 13 of 2006, regulation is the respondent's perception of changes in regulations, decisions and legislation in a short time, and these changes are very different from previous regulations. The frequent changes in regulations make it difficult for employees to carry out their duties, especially in terms of regional financial management.¹³

The results of this study are also in accordance with the opinion, according to Hennis B. Simandjuntak, commitment is the ability to be responsible for things entrusted to someone. Commitment has nothing to do with talent, intelligence or talent. With a strong commitment, it will enable a person to issue additional physical, mental and spiritual resources that can be obtained, otherwise without commitment, great works will be difficult to carry out. There are two main approaches to conducting commitment studies which are explained in commitment research, the first is the behavioral approach (behavioral approach) which focuses on behavior related to commitment (manifested by action). Both approaches to attitude (attitudinal approach) aimed at identifying individuals with the organization and its goals (manifested in opinions and beliefs).¹⁴

In substance, the term commitment is loaded with values and goals. The term implies a process of how these values and goals are achieved or in other words commitment is a condition for success. In relation to this research, commitment is seen as a belief and strong support for the successful implementation of new regulations. Based on the description above, it can be concluded that regulation and commitment have a positive and significant effect on regional financial management at the Education, Youth and Sports Office of Polewali Mandar Regency.

2. Analysis of the Effect of Characteristics and Supporting Devices on Regional Financial Management

Based on testing the coefficient between characteristic variables and supporting devices with regional financial management of $0.04 < 0.05$. These results indicate that there is a positive and significant relationship between characteristic variables and supporting devices with regional financial management at a significance of 0.05 or 5%. The results of this study are in accordance with several expert opinions including:

According to R. Matindas, Human Resources is a unit of human resources in an organization and not just the sum of existing employees. As a unit, human resources must be seen as a system in which each employee is a part that is interrelated with one another and together functions to achieve organizational goals. The results of this study are also in accordance with the opinion, according to Wiley, defining that HR is the main supporting pillar as well as the driving wheel of the organization in an effort to realize the vision and mission and goals of the organization. Human Resources is a very important organizational element. Therefore it must be ensured that

¹³ Fadillah Putra, *Paradigma Kritis Dalam Studi Kebijakan Publik* (Yogyakarta: Pustaka Pelajar, 2001).

¹⁴ Mamesah, *Sistem Keuangan Daerah* (Jakarta: gramedia, 1995).

these human resources must be managed as well as possible in order to be able to contribute optimally in efforts to achieve organizational goals. HR is measured based on the educational background obtained by respondents, understanding of their duties, readiness to make changes in the process of preparing financial reports.

According to Kenneth and Jane, hardware is physical equipment used for input, process and output activities in an accounting system. This hardware consists of a computer that processes, storage devices and devices to produce output and physical media to connect all these units. Meanwhile, software according to Kenneth and Jane is a detailed set of preprogrammed instructions that control and coordinate hardware components in an information system. These supporting devices are measured based on the availability of supporting devices and their updates. Based on the description above, it can be concluded that the characteristics and supporting devices have a positive and significant effect on regional financial management at the Education, Youth and Sports Office of Polewali Mandar Regency.

3. Analysis of Regulatory Influence, Commitment and Characteristics, Supporting Devices for Regional Financial Management

Based on the ANOVA regression test (Test F), the coefficient value between regulation, commitment and characteristics, supporting devices for regional financial management is $0.00 < 0.05$. These results indicate that there is a positive and significant relationship between regulation, commitment and characteristics, supporting instruments for regional financial management at a significance of 0.05 or 5%. This proves that the third hypothesis which states that there is an influence between regulation, commitment and characteristics, supporting devices on regional financial management can be accepted or proven.

Based on the results of this test, it indicates that improving the quality of appropriate regulations, high commitment, individual character and supporting tools will improve regional financial management. For this reason, it is expected that service heads carry out their functions properly and with high integrity so that they can improve regional financial management. Through these results, it shows that regulation, commitment and characteristics, supporting tools together have a positive and significant effect on regional financial management. The results of this study are in accordance with several expert opinions and the results of previous studies, including:

According to Baridwan, a framework of interconnected procedures arranged in accordance with an overall scheme, to carry out an activity or main function of an organization, while the procedure is a sequence of clerical work, usually involving several people in the organization. One or more parts, structured to ensure uniform treatment of transactions that occur within an organization. Based on the above understanding, one of the most important elements in administering governance and development in the regions is the system or method of managing regional finances in an efficient and effective manner. It is hoped that this will be in accordance with development aspirations and community demands.¹⁵

Based on the Law of the Republic of Indonesia Number 22 of 1999 concerning Regional Government article 76, the aspect of human resources (HR) is the ability of the management apparatus even though it is not sufficient in number according to the needs of each regional work unit/unit but in managing regional finances it can provide good services, best possible for society.¹⁶ This can be seen from the contribution of the regional revenues themselves as well as the level of effectiveness and efficiency which is increasing every fiscal year, however, there needs to be improvement in the sense that the regions must utilize the authority regulated in the law, namely the regions have the authority to appoint, transfer, dismiss, determine pensions, salaries, employee benefits and welfare as well as education and training in accordance with the needs and capabilities of the region as stipulated by regional regulations based on statutory regulations. The purpose of this study was to analyze the

¹⁵ Subarsono, *Analisis Kebijakan Publik* (Yogyakarta: Pustaka Pelajar, 2005).

¹⁶ William N Dunn, *Analisis Kebijakan Publik* (Yogyakarta: University Press, 1999).

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Regional Financial Independence of the Bengkulu Provincial Government, Effectiveness and Efficiency in Realizing Regional Original Income, Regional Government Activities in spending Regional Revenues and Growth of Revenue and Expenditure Acquisitions in the period 2004-2008. This research uses Independence Ratio Analysis, Effectiveness and Efficiency Ratio Analysis in Realizing Regional Original Income, Local Government Activity Ratio in spending its Regional Revenues and Revenue and Expenditure Growth Ratio. Based on the results of research in the period 2004-2008 Regional Financial Independence is not good with an Independence Ratio of 39.02, meaning that the level of dependence of the Bengkulu Provincial Government on external funding sources is very high. This good must be examined carefully. This is because there is no evaluation of the target set in regional income, (the target may be too low, the percentage of collection fees is fixed, etc.) even though the effectiveness and efficiency is good, the independence ratio remains low so that the role of Regional Own Revenue is still low in the APBD.

Based on the results of this study, there is a positive and significant influence between regulation, commitment and characteristics, supporting tools for regional financial management. This confirms that as the main components of regulation, commitment and characteristics, supporting instruments have a very large role in the high and low quality of regional financial management in an area.

Regulation is the respondent's perception of changes in rules, decisions and legislation in a short time, and these changes are very different from previous regulations. The frequent changes in regulations make it difficult for employees to carry out their duties, especially in terms of regional financial management. Commitment is the ability to be responsible for things entrusted to someone. Commitment has nothing to do with talent, intelligence or talent. With a strong commitment, it will enable a person to expend additional physical, mental, and spiritual resources that can be obtained, otherwise without commitment, big projects will be difficult to carry out.

There are two main approaches to conducting commitment studies described in commitment research. The first is a behavioral approach that focuses on behavior related to commitment (manifested by action). Both approaches to attitude (attitudinal approach) aimed at identifying individuals with the organization and its goals (manifested in opinions and beliefs). In substance, the term commitment is loaded with values and goals. The term implies a process of how these values and goals are achieved or in other words commitment is a condition for success. In relation to this research, commitment is seen as a belief and strong support for the successful implementation of new regulations.

D. Conclusion

Based on the test results using the Coefficient test (T-test), the coefficient value between the regulatory variable and commitment to regional financial management is $0.00 < 0.05$. These results indicate that there is a positive and significant relationship between regulation and commitment variables with regional financial management at a significance of 0.05 or 5%. This proves that the first hypothesis which states that there is an influence between regulation and commitment to regional financial management is acceptable or can be proven. Based on testing the coefficient between the characteristic variables and supporting devices with the regional financial management of $0.04 < 0.05$. These results indicate that there is a positive and significant relationship between characteristic variables and supporting tools for regional financial management at a significance of 0.05 or 5%. This proves that the second hypothesis which states that there is an influence between characteristics and supporting devices on regional financial management is acceptable or can be proven. Based on the ANOVA regression test (F test), the coefficient value between regulation, commitment, and characteristics, supporting devices for regional financial management is $0.00 < 0.05$. These results indicate that there is a positive and significant relationship between regulation, commitment, and characteristics, supporting instruments for regional financial management at a significance of 0.05 or 5%. This proves that the third hypothesis which states

that there is an influence between regulation, commitment, and characteristics, supporting devices on regional financial management can be accepted or proven.

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