An Analysis of Effects of Regional Leadership Commitment on the Effectiveness of Regional Government Internal Control System A Case Study on Tegal City and Tegal Regency

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ABSTRACT

The present paper has the objective to analyze the commitment of the regional heads in the effectiveness of Government Internal Control System (SPIP) implementation as mandated in Government Regulation No. 60 of 2008. Qualitative methods were used in this research with case study approach. The data collection was conducted through in-depth interviews to some officials in Tegal City and Tegal Regency Governments which became research locus. In addition, literature studies were also conducted to the legislation, reports and other relevant information to the research topic. This research is based on Grindle's policy implementation theory (1980). The results demonstrate that the low commitment of regional heads to implement SPIP policy results in low SPIP maturity level in both regions. Therefore, it indicates the ineffectiveness of SPIP implementation. It is caused by the low understanding of policy substance and integrity factor. It thereby needs efforts to socialize SPIP policy to all employees, starting from enrollment stage to the highest career ladder in government bureaucracy. To overcome integrity problem, the authority for staff coaching should be revoked, from political officials to the highest bureaucrat officials; and it should be accompanied by the relationship mechanism between SPIP implementation and the amount of the institution's budget.
Keywords*: commitment, internal control, policy implementation, effectiveness, maturity*

I.   INTRODUCTION

Based on a survey conducted by Political and Economic Risk Consultancy (PERC) in its report on March 20, 2013, Indonesia ranks 16th as the most corrupt 17 countries in Asia Pacific, scoring 8.83 out of top 10 worst. In fact, Indonesia is placed in the lowest position among ASEAN countries, only one place higher than India. The previous year survey (2012) shows that in the 'reporting period from 2003 to 2012' (ten years), the fluctuation of perceptual value of "to the extent of which the corruption comes from the overall business environment", from the best score of 7.19 (2009) to the worst score of 9.33 (2003), and Indonesia is always on the bottom rank. The latest survey shows that India and Indonesia are enduring the worst corruption problems. The problems of political corruption for both countries are just as bad, while the institutional corruption of Indonesia is worse than that in India. On the other hand, Indonesian's KPK (Corruption Eradication Commision) is considered more effective than Indian's version of the Commission (Asian Intelligence-Regional Overview, March 2013).

The constantly massive corrupt behavior in Indonesia is also reflected in the corruption cases going to court. In the past five years, corruption cases tended to increase. Throughout 2014, the corruption cases brought by the Prosecutor to the court have reached 2,225 cases, an increase to 2,023 cases compared to 2013. As for corruption cases brought to the court by KPK, there are 45 cases which is an increase compared to 2013, as many as 41 cases (Kompas, January 23th, 2015).

In accordance with SPIP's objectives, it is to secure state assets and obidience to legislation. The high level of corruption indicates the ineffectiveness of the SPIP implementation which has resulted in unachieved SPIP objectives.

In order to see the causes of SPIP ineffectiveness, this paper will use Grindle's implementation model (1980). To conduct the research in more -detail and in-depth manner, it is done by taking the research locus at Tegal City Government and Tegal Regency, considering that according to KP2KKN (Committee for Investigation and Eradication of Corruption, Collusion and Nepotism), Central Java is the region with the highest second place of corruption following Wonogiri (https://antikorupsijateng.wordpress.com/2011).

The tendency of corrupt behavior also occurs in Tegal City with the case involving Tegal Mayor of 2009-2014 period, Ikmal Jaya, who was taken into custody by KPK in the case of land swap in Bokong Semar Landfill (TPA) worthed Rp 35.1 billion. He was charged to have costed the state Rp 23 billion (Tribunnews.com, August 30, 2017). For Tegal regency, it is not a far-fetch from the above in terms of corruption. Former Tegal Regent, Agus Riyanto, was detained by Central Java Prosecutor for allegedly involved in corruption project in Slawi Ring Road (Jalingkos). Total state losses were estimated to reach Rp 3.9 billion (Detiknews.com, 28 June 2011).

2.   CONCEPTUAL FRAMEWORK

Policy implementation can be defined as actions undertaken by individuals or government's officials or groups directed at achieving the objectives outlined in policy decisions (Wahab, 2008). Grindle (1980) defines implementation as a general process of administrative action that can be observed as a specific policy action, and a new implementation process can begin when objectives and targets have been established and channeled to achieve those objectives. Futhermore, Grindle, argues that implementation duties are to develop a linkage that allows the realization of public policy objectives as the outcome of government activities.

Policy implementation is one crucial aspect of the policy process because the implementation stage will determine the success or failure of a public policy issued by the government (Edwards III, 1984). In fact, Udoji states "*the execution of policies is as importance, if not more important than policy making, policies will remain dreams or blue prints file jackets unless they are implemented*" (Wahab, 2008: 59). In principle, Udoji asserts that implementation is far more important than policy making, since a policy will simply remain as a dream or good plan in the archive if not implemented.

Meanwhile, Hoogerwerf (1983: 137), views that the policy implementation acts as the chosen tools in order to achieve the chosen goals. The tools meant are the regulations or decisions set by the government. Therefore, what necessary in the policy implementation is the legitimate actions upon it.

Hoogerwerf's opinion mentioned above, when associated with the SPIP implementation policy, can show that, SPIP implementation basically is a process of administrative actions that can be observed as a new policy action. It can only be started if the objectives and policy targets of SPIP implementation have been established. And to achieve the goals and objectives of the policy, it need a series of steps or actions aimed to

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achieve the objectives set in the policy. The tools that can be used as the basis for achieving the objectives and policy targets of the SPIP are the laws and regulations established by the government.

In order to analyze the SPIP policy implementation, Grindle implementation model (1980) is used. Grindle (1980) reminds policymakers and field implementers of the possibility of gaps between the policy objectives and the results achieved on the field.

Implementation [of policy] has captured their attention because it is evident that a wide of factors – from the availability of sufficient resources to the structure of intergovernmental relations, from the commitment of lower level officials to reporting mechanism within the bureaucracy, from political leverage of opponents of the policy to accidents of timing, luck and seemingly unrelated events – can and do frequently intervene between the statement of policy goals and their actual achievement in the society. (Grindle, 1980:3)

Grindle introduces the implementation model as a political and administrative process. The model describes the decision-making process undertaken by multiple actors –where the final outcome is determined by both the program material achieved and program made from the interaction between decision makers in the administrative political context. The political process can be seen through a decision-making process, involving various policy actors, while the administrative process is seen through a general administrative process action that can be investigated at the level of a particular program. (Hadianto, 2017). To better know the position between political and administrative domains in Grindle theory (1980: 11), it can be seen in Figure 1.

The figure shows that a policy has a clear objective as a form of policy value orientation. The objectives of policy implementation are formulated into specific programs of action, and projects that are designed and financed. The program is implemented in accordance with the plan. Implementation of policies or programs - in outline - is influenced by the policy content and implementation context. The overall implementation of the policy is evaluated by measuring the output of the program based on the policy objectives. The program outcomes are viewed through their impacts on the intended goals of individuals, groups and communities. The output of policy implementation is changes and acceptance of change by the target groups (Akib, 2010).

Subsequently, the success of implementation according to Grindle (1980: 11) is influenced by two major variables: the content of policy and the context of implementation, as shown in the chart.

Figure 1 . Implementation as a Political and Administrative Process
(Source: Grindle, Merilee S. (ed), 1980, *Politics and Policy Implementations in the Third World*, Pricenton University Press, New, Jersey, page.6)

3. RESEARCH METHODOLOGY

This research was based on qualitative approach using Grindle implementation model (1980). The data collection method used in-depth interviews and literature study of secondary data, i.e. in the form of reports, legislation and other information which had relevance to research problems. The data analysis in this research also followed the steps of Milles and Huberman (1992) which provided general guidance on the steps in qualitative data analysis, namely through the "data reduction", "display data" process, and "conclusion/ verification".

4. RESULT AND DISCUSSION

Committe on Sponsoring Organizations of the Treadway Commission COSO (1992), explains that the most influential feature of control effectiveness lies in the process. It brings the consequence that awareness of the importance of control should not be the responsibility of the institution's leadership (top management). The awareness of the control benefits should be dsitributed throughout the organization, not only to the smallest units and parts of the organization, but also to the individual level. Consequently, all members of the organization should view control as a tool for achieving the objectives, and the responsibility for their implementation becomes a shared obligation. Nevertheless, this concept still recognizes the leadership role as "tone at top" for the effective implementation (Pusdiklatwas BPKP, 2011).

In line with COSO, according to Wilopo (2006), the success of SPIP is not only based on the control design which is sufficient to guarantee the achievement of organizational goals, but also on everyone in the organization as a factor that can make the control to function.

The data report on maturity assessment of SPIP in Tegal City shows that Tegal City still has low maturity level, which is on score 1.7 out of maximum score at 5. In other words, it is still located at the pilot phase (Hadianto, 2017).

.According to one member of the Government Internal Control System Task Force (SPIP) of Tegal City, the commitment factor becomes the main obstacle for the implementation of Government Internal Control System in Tegal City. According to her, the employees are not aware of the importance of SPIP in the program implementation and its activities, and assume that SPIP is only a formality and does not serve as a control tool for securing every action in the program management and activities. Also, the low commitment makes the leadership less-encouraged to organize activities in the framework of SPIP infrastructure development. (Interview with Tanti Rahayu, July 6, 2015)

Activities in SPIP implementation in Tegal City start from the dissemination to SPIP task force, organized by Regional Civil Service Agency (BKD) in 2010; and then continued with SPIP assistance by the Development Finance Supervisory Board (BPKP) as detailed on Table 1.

Table 1 SPIP Activities of Tegal City

No	Date	Place	Participants	Activities	Budget
1	28 Feb 2012 -1 March 2012	Training Center for Land Transportation of Tegal	30 participants: 19 from inspectorate, and 11 from SKPD representatives, acting as SPIP Enforcement Unit	Dissemination of SPIP. Informant: BPKP of Central Java Province	46.422.000
2	10-14 September 2012	inspectorate	DPPKAD DISDIK	Mentoring of DA (*Diagnostic Assesment*) SPIP by BPKP	100.240.000
3	22 -26 September 2014	inspectorate	Inspectorate , Bappeda, BKD & DPU	Preparation of RTP (Action Plan of Control)	78.550.000
4	14- 18 September 2015	Inspectorate & National Unity and Politics Board	*Dishubkominfo, DKK, Diskimtaru, DisperindagKop, DinporaBudpar*. Each consisted of 2 people.	CEE (Evaluation of control environment) and preparation for Control Action Plan	92.068.000

Source: Tegal City Inspectorate, 2015

The table above already shows the efforts of Tegal City Government to mobilize resources for the implementation of SPIP. However, these activities only remained as formality after the activities went into the archive. It was not used as a tool in controlling the programs and activities as disclosed an associate auditor inspectorate.

According to a young auditor inspectorate, SPIP activities are not sustainable because there is no commitment from the leadership to move to the next step in order to follow up activities that have been started during the assistance of BPKP (Interview with Trianawati Indriadewi, August 18, 2016).

According to a member of the SPIP task force, the lack of commitment from leaders and employees is resulted from lack of understanding on what meant by SPIP and how to run it (Interview with Tanti Rahayu, August 18, 2016).

It can be understood if the leaders of the Local Government Agency (SKPD) and employees in general have not comprehended SPIP well because members of the SPIP task force from SKPD representatives are generally echelon four officials. These task force members have ever received SPIP dissemination at the beginning of SPIP event in 2012. Afterwards, there was no more dissemination activity, despite there were only 30 people out of 4583 employees joining the dissemination event (Hadianto, 2017).

According to the head of BKD, every year actually there is a budget for education and training or socialization for each business, including SPIP, from the leading sector, which should be active to initiate training activities or dissemination by inviting speakers from BPKP.

If we go back to the question why there is no attempt to initiate the dissemination activities of the inspectorate, then it is due to lack of understanding of the inspectorate leadership upon the substance of SPIP. It is the same as expressed by the duties executor of Tegal City Inspector, saying that most employees do not understand SPIP, including inspectorate leaders, because they have never received SPIP dissemination (Interview with Agus Teguh Rahardjo, July 6, 2015).

For Tegal Regency, commitment from leaders and staffs in regency government is still low, as seen from low maturity assessment result (1.516) based on maturity assessment result of BPKP.

This low commitment can also be seen from the effort to implement SPIP with dissemination and mentoring activities by bringing in speakers from BPKP representatives of Central Java Province. SPIP implementation activities in Tegal Regency government are described on Table 2.

Table 2 SPIP Activities of Tegal Regency

No	Date	Place	Participants	Activities	Budget
1	15 April, 2010	Meeting Room of Tegal Regent	60, consisting of assistants, regents expert staffs, secretary of DPRD, Inspectors, Head of SKPD, District head	SPIP Dissemination	24.487.000
2	4 s/d 8 June, 2012	Inspectorate	25 people from SKPD to be in - DA, Regional secretary, BKD, Youth and Sport Office, PU Office, DISDIK	Mentoring of DA (*Diagnostic Assesment*) SPIP by BPKP	38.846.000

Source: Tegal Regency Inspectorate, 2015

It is revealed by (task force) of Government Internal Control System (SPIP) of Tegal Regency, saying that the low commitment of Tegal Regency Government has caused the Government's Internal Control System in Tegal Regency not to run well (Interview with Solikhin, August 16, 2016).

The cause of the lack of commitment in the local government officials towards the Government Internal Control System (SPIP) is the limited understanding of the substance set forth in Governemnt Regulation No. 60 of 2008, as stated by the head of Tegal Regency's Administration Development Division, the operational guidelines are very theoritical (Interview with Dadang Darusman, July 13, 2015).

In line with the statement, the Inspector of Tegal Regency also reveals that SPIP concept seems to be far-fetch from reality as it is not adjusted with the local values here. According to Inspector, SPIP values should use local values that have been already existed in Indonesia so as to make it easier to implement. The iinspector has the conscience as the front guard in SPIP, but he does not greatly understand about SPIP. It is why SPIP does not work properly. Nevertheless, according to him, SPIP instructors are no longer intensively promoting the SPIP (Interview with BK Aribawa, August 18, 2016).

According to a member of SPIP task force of Tegal Regency, there is lack of commitment in this leadership, as the leaders turn a blind eye and do not try hard enough to get knowledge on SPIP, and simply dump issues related to SPIP to their staffs without supervision or even facilitation provided. If the leaders fully entrust the activities to implement SPIP to their staffs without full review and support, then it certainly won't be optimal (Interview with Solikhin, August 16, 2016).

In addition to understanding, the lack of commitment is also largely determined by the Integrity of the leadership, such as Tegal City. As revealed by the Inspector of Tegal Regency, this integrity factor is a constraint to enforce SPIP well (Interview with BK Aribawa, August 18, 2016).

Alongside this integrity, it would be good to apply good control in the implementation of the program and its activities. Otherwise, if integrity is low, it will weaken the control of interests fulfilment which collide with the principle of control (Hadianto, 2017).

For Tegal City and Tegal Regency, the integrity of the leadership is influenced by a conflict of political interests, making the SPIP implementation not to work properly. This political factor drives the former heads of regions in both areas to be arrested by KPK - sine corruption is detrimental to regional finance, as disclosed in the introduction of this paper.

The policy implementation, in the opinion of Grindle, is influenced by the content policy of which factor is the location of decision-making. For SPIP, policy decision-making lies in the leadership - in this case is the regional head as the highest regional leader. To be able to implement the SPIP policy, a strong commitment from the leadership is required so that the policy objectives can be achieved properly.

Therefore, an implementation mechanism for Government Internal Control System (SPIP) is required in the future so that the leaders at all levels of government organizations will get a strong commitment to integrate the Government Internal Control System (SPIP) into their programs and activities. Then, any program and activity can achieve their objectives well, without any violation of the laws and regulations.

For the lack of understanding, we need to enter SPIP materials to the employee training curriculum, starting from the recruitment to the highest level of training with leveled materials. As for the integrity problem, there needs to be a strict separation between political officials and bureaucratic officials, meaning that 'the party in charge of staffing' should not be given to political officials but to the highest bureaucrat officials. In addition, there is a need for mechanisms, such as regulations. If each organizational unit does not hold a Government Internal Control System (SPIP) well, it will be difficult to get budget for financing the program and activities. With the policy, it can be ensured that every leader at every level of the organization will be committed to organize Government Internal Control System (SPIP) as mandated in Government Regulation Number 60 of 2008.

5. CONCLUSION

The SPIP implementation requires a commitment from all employees and especially leaders at every level of the organization within the regional government. To grow commitment of the policy implementers, good understanding of the SPIP policy substance is needed. Then, it will be embodied in every program and activity, supported with the integrity of good regional leaders so as to not damage the control system when these leaders play self-interest to return their political capitals. To overcome these two factors, SPIP policy dissemination is needed with programmed policy dissemination, by incorporating SPIP policy materials into employee training pattern, starting from recruitment training to the highest position of leadership training. As for fostering good integrity on the leadership, it can be done by separating political positions with bureaucratic positions. Mechanisms or systems are also needed to compel every institution to properly organize SPIP, if they don't want to have their institutions' budget reduced.

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