

Public Participation in Safeguarding Regional Finances Amidst Pilkada

As we approach the regional elections (Pilkada) for governors, mayors, and regents, the streets are increasingly dominated by billboards featuring individuals introducing themselves rather than advertising products. These billboards prominently display the candidates' names, faces, and campaign slogans, with some even making promises to advance their regions. This visual shift in public spaces signifies the onset of the Pilkada season, a period marked by heightened political activity and public concern.

In the wake of the recent Presidential and Legislative elections, a significant public concern was the potential misuse of state funds for electoral gains. This issue is likely to resurface in the upcoming Pilkada, especially since many candidates are current officeholders or acting officials. The critical question is how the public can ensure that regional finances are not misused for these campaigns. To address this concern, there are several steps that the public can take to monitor and safeguard the use of regional funds during the election period.

First, understanding the fundamental regulations governing regional financial management is crucial. According to Article 309 of Law No. 23 of 2014 on Regional Government, the foundation of regional financial management within a fiscal year is the Regional Revenue and Expenditure Budget (APBD), which is enacted through regional regulations (Perda). These figures are further detailed in the Regional Head Regulation (Perkada) on APBD elaboration, and each work unit will prepare a budget implementation document (DPA) based on this regulation. All APBD expenditures must be based on the DPA, and funds can only be used if the budget for the activity is available and sufficient in the APBD. Additionally, the use of APBD for purposes other than those stipulated is prohibited.

Apart from local regulations, other relevant laws include Law No. 23/2014 on Regional Government, Government Regulation No. 12 of 2019 on Regional Financial Management, and the Ministry of Home Affairs Regulation No. 77 of 2020 on Technical Guidelines for Regional Financial Management. Additionally, each fiscal year, the Minister of Home Affairs issues guidelines for the preparation of APBD. For the 2024 fiscal year, the guidelines are set out in Ministry of Home Affairs Regulation No. 15 of 2023.

Second, it is essential to know the budget structure. The APBD primarily concerns revenue and expenditure. Revenue received by the region funds planned activities, and this budget structure is outlined in Perda, Perkada, and DPA. Perda and Perkada are public regulations and therefore easily accessible, whereas DPA is not a public document and may require effort to obtain.

However, don't worry if you lack these documents. The Ministry of Finance has established the Regional Financial Information System (SIKD) (djpk.kemenkeu.go.id/portal/data/apbd) to promote transparency in regional finances. The SIKD provides daily updated information on budget structures and their realization for all regional governments. Additionally, information on regional finances can also be accessed through government procurement activities. Websites like the General Procurement Plan Information System (sirup.lkpp.go.id/sirup/home/rekapitulasiindex) and the Local Monitoring

and Evaluation Application on the Electronic Procurement Service (LPSE) website offer insights into procurement activities, including contract values, work units, contractors, and realization dates.

Third, identifying potential misuse of funds during Pilkada mirrors issues seen in Presidential and Legislative elections. Commonly scrutinized expenditures include social assistance (bansos), grants, and expenditures for goods and services distributed directly to the public (barserah). Bansos involves providing money or goods to recipients selectively and not continuously, aimed at protecting against social risks. Bansos is allocated to known recipients with clear names, addresses, and amounts. Common issues include funds being given to non-listed recipients, duplications, invalid data, fictitious bansos, and unsupported accountability reports. Meanwhile, grants are given to legal entities meeting specific requirements, such as community organizations with clear names, addresses, and amounts. Similar issues as with bansos often arise, including misuse and lack of accountability.

Then, there is barserah, which is expenditure by local governments aimed at direct public benefits, often involving agricultural, fisheries, plantation, public works, and housing sectors. Common issues include non-targeted assistance, mismatches between recipients' professions and goods provided, non-conforming goods, procurement manipulation, and inflated prices. In some regions, barserah budgets are deliberately kept under Rp200 million to allow direct procurement instead of tenders, as stipulated in Presidential Regulation No. 16 of 2018 on Government Procurement of Goods/Services. Direct procurement is more prone to risks like marked-up prices, benefiting not just the suppliers but potentially those involved in planning and executing the activities.

If you notice indications of financial irregularities, report them to the relevant authorities with sufficient evidence. One of them is BPK. All information related to irregularities in regional financial management reported to the Supreme Audit Agency (BPK) can support the agency's audit for the fiscal year in question. This, in turn, can aid in achieving BPK's vision: "To be a trusted audit institution that plays an active role in fostering state finance with high-quality and useful financial governance to achieve state objectives."

Understanding the legal framework, familiarizing oneself with the budget structure, and identifying potential misuse of funds are critical steps the public can take to safeguard regional finances. The tools and resources provided by the Ministry of Finance and other governmental websites offer a transparent view of financial activities, empowering citizens to hold their leaders accountable. This helps in managing regional finances better, contributing to a transparent and accountable governance process without needing to make promises on billboards. Besides that, by staying informed and vigilant, the public can play a crucial role in ensuring that regional election processes are fair and that public funds are used appropriately for the benefit of all, ultimately contributing to a healthier democratic process.