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The Implementation of Good Corporate Governance Principles in Budget Management at BKKBN Provincial Representative Office in Bali

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Abstract: Budget management encompasses a series of financial regulatory activities, including planning, bookkeeping, expenditure, supervision, and financial accountability within an organization or institution. This study employs a qualitative research approach to explore the extent to which Good Corporate Governance (GCG) principles are implemented in budget management at the Provincial Representative Office of BKKBN Bali. The findings reveal that all GCG principles—transparency, accountability, responsibility, independence, and fairness—have been applied by both budget managers and users. Nevertheless, several challenges remain, such as the low realization of the Special Allocation Fund (DAK) for the Family Planning sub-sector and limited support from regional (district/municipal) government budgets (APBD). As a solution, cross-sectoral synergy and the strengthening of ethical organizational commitment are necessary. The implementation of GCG has been proven to foster a more harmonious, transparent, and sustainable approach to budget governance.

Keywords: Good Corporate Governance, Budget Management, Ethnomethodology

INTRODUCTION

The performance of government institutions as public fund managers has increasingly drawn public attention. One of the efforts undertaken by the government to realize good governance and a clean government in financial management—thereby enhancing public trust—is the reform of public financial management systems. In line with the growing demands for the implementation of Good Corporate Governance (GCG) and public sector reform, which is marked by the emergence of the New Public Management (NPM) era with its three universally applicable core principles—professionalism, transparency, and accountability—there has been a push to improve performance in financial management through the development of a more systematic approach to public budgeting. Performance-based

budgeting represents such an approach, focusing on the achievement of targeted outcomes (Achdiat, 2020). Budget management should not solely emphasize year-end budget absorption, but must also address transparency, accountability, and efficiency—critical prerequisites for the realization of good governance. Budget management comprises a series of financial administrative activities, including planning, bookkeeping, expenditure, monitoring, and financial accountability within an organization or institution. Aligned with the spirit of bureaucratic reform, the principles of Good Corporate Governance (GCG) have begun to be applied within the public sector as part of efforts to establish clean and professional financial management practices. Public service delivery that reflects the essence of good governance entails the ability of government, community, and private sector actors to engage in innovative service practices while adhering to the core principles of good governance (Lestari & Santoso, 2022). This study was conducted at the Regional Office of the National Population and Family Planning Board (BKKBN) of Bali Province, prompted by the issue of persistently low realization of the Special Allocation Fund (DAK) for the Family Planning Subsector in recent years. As a government institution with a strategic role in population control and family development, it is crucial to examine how the principles of Good Corporate Governance (GCG) are implemented in budget management at the BKKBN Bali Provincial Office, as well as to identify the challenges and potential solutions in its implementation.

METHOD

This study employs a qualitative research design using an ethnomethodological approach. The research was conducted at the Regional Office of the National Population and Family Planning Board (BKKBN) of Bali Province in February 2025, involving key informants including three employees from the BKKBN Bali Provincial Office, two representatives from the Regional Apparatus Organizations (OPD) in the Family Planning sector, and one Family Planning Field Officer (PLKB). Data collection techniques included in-depth interviews, participant observation, and document analysis. Data analysis was carried out in six stages: (1) data collection, (2) data reduction, (3) indexicality analysis, (4) reflexivity analysis, (5) data interpretation, and (6) conclusion drawing. The indexicality technique was used to understand the social context of informants' statements or actions, while reflexivity emphasized the researcher's awareness in constructing and understanding the studied social reality.

RESULT AND DISCUSSION

1. Transparency

Transparency is implemented through an application-based budgeting system and the involvement of various stakeholders in the planning process. This principle emphasizes diligent and responsible execution of tasks. The bottom-up planning mechanism and open reporting reflect efforts to uphold honesty and encourage participation. This is illustrated by an informant's statement:

"...so there is a mechanism for data entry within the application, followed by the completion of supporting documents. That will later be carried out by the planning component. Therefore, the budgeting process is not top-down but rather bottom-up—they are the ones who prepare the budget, and we facilitate it here, in the Planning and Finance Team." - Head of Finance and State Property Management Team

In addition, another informant also provided a statement related to the same issue:

"...so in the budgeting process for the Family Planning Operational Assistance (BOKB), several parties are involved, both at the central and regional levels, so it's not just us at the provincial level." – Secretary of the BKKBN Provincial Office, Bali.

The above explanation illustrates how the principle of transparency has been implemented. A study by Devi et al. (2019) emphasizes that transparency is closely linked to the optimization of budget management. The implementation of transparency in financial management at the BKKBN Provincial Office of Bali is reflected in the routine preparation of financial and performance reports each year. Additionally, the office has developed an innovation to support transparent budget management—namely the Family Planning Special Allocation Fund Monitoring System (Sistem Monitoring Dana Alokasi Khusus Keluarga Berencana, or SIDAK KENCANA). Through this innovation, budget users—in this case, district/city Family Planning Offices (OPD KB)—are required to report their budget realizations on a monthly basis. While the Ministry of Population and Family Planning (Kemendukbangga/BKKBN) has also developed a system called MORENA, reporting in MORENA is limited to quarterly data. In contrast, SIDAK KENCANA enables monthly monitoring of budget management, thereby enhancing transparency through more frequent and systematic oversight.

2. Accountability

Based on the interviewed, regarding the accountability of budget management, informants indicated that throughout the management process at the Ministry of Population and Family Planning (Kemendukbangga/BKKBN), the BKKBN Provincial Office of Bali prepares annual financial statements and performance reports, which are submitted to Kemendukbangga/BKKBN and other relevant stakeholders.

As stated by an informant:

“...from the standpoint of budget accountability, we always prepare financial reports and performance reports that present the realized budget achievements as well as the program/activity targets set at the beginning of the year.”
– Secretary of the BKKBN Provincial Office, Bali

This view is further supported by another informant who stated:

“...the implementation of activities funded by the Family Planning Operational Assistance (BOKB) is based on Technical Guidelines issued by the BKKBN Central Office in the form of a regulation from the Head of BKKBN (PERBAN BKKBN), which is usually issued annually. Therefore, the districts/municipalities that receive BOKB funds also refer to these technical guidelines in their budget planning.” – Head of Planning Functional

In addition, representatives from the Regional Apparatus Organizations (OPD) at the district/city level also confirmed:

“...the District/City Population Control and Family Planning Office (DPPKB) regularly prepares reports on the realization of BOKB fund usage. These reports are then submitted to the central BKKBN and other relevant stakeholders. Subsequently, the local government submits the realization report of the BOKB funds to the Ministry of Finance, c.q. Directorate General of Fiscal Balance (DJPK), and the National Population and Family Planning Board (BKKBN). That is more or less how the mechanism works” - Mid-Level Expert Planner for Family Planning

The explanation above illustrates how the principle of accountability has been implemented in budget management at the BKKBN Provincial Office of Bali. A previous study by Sangki et al. (2018) emphasizes that accountability in financial management is essential to ensure that budget allocations are used appropriately. The financial management process at the Bali Provincial Office of Kemendukbangga/BKKBN is carried out with a strong sense of responsibility by both managers and implementers. Through financial and performance reports, the responsibility of the financial management team can be demonstrated. Furthermore, the existence of a tiered reporting mechanism—from the district/city level, to the provincial level, and up to the national level—greatly supports the

implementation of accountability. Accountability requires that every rupiah of the budget be used in accordance with its intended purpose and applicable regulations. Responsible budget utilization contributes to increased public trust in the institution.

3. Responsibility

The principle of responsibility within the framework of Good Corporate Governance (GCG) ensures that budget management complies with applicable regulations and considers environmental sustainability. An informant stated:

“...one form of our responsibility in budget management is the implementation of the monthly Radalgram meetings at the end of each month. Before the pandemic, these were usually held in person at the provincial office. However, due to the pandemic and budget constraints, we have since conducted them in a hybrid format. This is one of the ongoing efforts we have made.” – Secretary of the BKKBN Provincial Office, Bali.

A similar view was expressed by an informant from a district-level Family Planning Office (OPD KB), who stated:

“...at the district level, we also hold weekly internal meetings every Monday, as well as evaluation meetings with Family Planning Counselors (PKB/PLKB) to help us monitor the progress of budget realization and expenditure.” – Head of the Family Planning Field

The explanation above demonstrates that the principle of responsibility has been effectively implemented in budget management. A previous study by Rindawati and Marjoyo (2017) found that the responsibility in managing regional revenue and expenditure budgets is strongly influenced by commitment and a deep sense of accountability in its implementation. The implementation of this principle is reflected in the accountability mechanisms established within the Bali Provincial Office of Kemendukbangga/BKKBN. Local governments that receive BOKB funds are required to submit reports on budget realization to the Ministry of Finance, c.q. Directorate General of Fiscal Balance (DJPK), as well as to Kemendukbangga/BKKBN. Responsibility in budget management is a critical principle, as it involves moral, administrative, and legal accountability on the part of those managing public funds. Neglecting this principle can lead to budget misuse, inefficiency, and even corruption (Sartika, 2023).

4. Independency

The principle of independence ensures that there is no conflict of interest in budget-related decision-making processes. Based on interview findings, an informant stated:

“...yes, the technical guidelines clearly define the roles and responsibilities of each party. For example, the duties of the Provincial BKKBN are clearly outlined, and so are those of the district/city Family Planning Offices (OPD KB). The boundaries are very clear, and there is no overlap or conflict.” – Head of the Family Planning Field (Kabid K3), Tabanan Regency.

A similar view was also expressed by another informant:

“...at the implementation level, we are well aware of our respective boundaries, so I believe there has never been any kind of conflict so far.” – Family Planning Counselor

The explanation above illustrates how the principle of independence has been applied in budget management. It reflects the financial managers' ability and courage to make objective, impartial decisions that are free from external interference, and aimed at serving the public interest. Individual and organizational integrity are essential components that support healthy relationships in all aspects of governance. A previous study by (Ainiyah et al., 2021) found that independence in budget management ensures that the allocation and use of funds are directed toward public benefit, rather than serving elite or specific group interests. The implementation of the independence principle in budget management at the Bali Provincial Office of Kemendukbangga/BKKBN is evident in the existence of technical

guidelines (*petunjuk teknis* or *juknis*) that regulate how the budget should be utilized. These guidelines serve as a framework for executing the budget appropriately and ensuring that funds are used as intended and provide benefits to the community.

5. Keadilan

In the implementation of Good Corporate Governance (GCG), the principle of fairness encompasses the equitable and proportional distribution of budget allocations to all parties in need. A previous study by Lake and Hapsari (2021) emphasized that fairness should be a key indicator in budget management. Development programs must be oriented toward public welfare rather than personal or group interests.

An informant stated:

"...we receive the SPA [Budget Allocation Letter] from the BKKBN Central Office, so the allocation is already specified in the SPA issued by the Central BKKBN, and the amount varies accordingly." – Head of the Finance and State Property Management Team

Another informant stated:

"...as for BOKB or DAK, whether physical or non-physical—in the case of BOKB, it is non-physical—the allocations vary, so they are not the same across all districts. The allocation of the budget is determined by several factors. First, the Regional Original Revenue (PAD) of the respective district, because DAK funds are considered assistance, meaning they are not the primary source of funding for districts or municipalities. Therefore, the PAD is assessed first, followed by the availability of supporting infrastructure and facilities. So, each district or municipality receives a different allocation." – Head of the Planning Functional Team

This explanation further reflects the implementation of the fairness principle in budget management, both at the provincial and district/city levels. Fair budget management is not merely an administrative obligation but also a moral responsibility to ensure that each entity receives a just allocation according to its needs in implementing programs and activities that support the institution's goals. Within the framework of Good Corporate Governance (GCG), the principle of fairness entails the equitable and proportional distribution of funds to all stakeholders in need. A previous study by Lake and Hapsari (2021) emphasized that fairness should serve as a key indicator in budget management practices. The application of this principle is reflected in the budgeting process for the Family Planning Operational Assistance (BOKB), where the allocation is closely aligned with priority programs and national policies that support the president's vision and mission. Through this approach, fairness is expected to contribute to the realization of greater public welfare.

6. Challenges in Implementing Good Corporate Governance (GCG) in Budget Management at the Bali Provincial Office of the Ministry of Population and Family Development (Kemendukbang/BKKBN)

The main challenges include: a) the transition to a cashless payment mechanism, b) inconsistencies between central and regional policies or regulations, which complicate the realization of several budget submenus, and c) the low absorption rate of the Special Allocation Fund (DAK) for the Family Planning (FP) Subsector (BOKB). This issue requires serious attention, as DAK serves as a crucial funding source for regional family planning programs. Available data indicate that over the past three years, the budget realization for the Family Planning Subsector DAK in Bali Province has ranked low at the national level. The proposed solutions to address these challenges include:

1. Establishing a dedicated task force to oversee the management of DAK funds.
2. Conducting Technical Coordination Meetings (Rapat Teknis or Raknis) to enhance coordination and address emerging issues.
3. Strengthening monitoring and evaluation mechanisms for program implementation and budget absorption.
4. Reinforcing synergy and collaboration with relevant institutions at the provincial and district/city levels.

CONCLUSION

The implementation of Good Corporate Governance (GCG) principles in budget management at the Bali Provincial Office of BKKBN has demonstrated positive outcomes. Each principle—transparency, accountability, responsibility, independence, and fairness—has been effectively internalized throughout the stages of budget planning, execution, and reporting. Nonetheless, certain challenges persist, such as misalignment between central and regional policies and the low realization rate of the Special Allocation Fund (DAK) for the Family Planning Subsector. However, the institution has undertaken strategic measures, including the establishment of a DAK oversight team and the enhancement of cross-sectoral coordination. These efforts have contributed to a more orderly, efficient, and service-oriented system of budget governance. In addition to boosting both internal and external trust in the institution, the application of GCG principles has fostered a more optimal and professional organizational culture. With sustained commitment and continued support across sectors, the integration of GCG values is expected to serve as a strong foundation for more transparent, accountable, and sustainable budget management in the future.

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