



IMPLEMENTATION OF FINANCIAL MANAGEMENT POLICIES IN THE PROVINCIAL HEALTH OFFICE OF CENTRAL SULAWESI

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ABSTRACT

This research aims to analyze and explain the implementation of financial management policies at the Provincial Health Office of Central Sulawesi. The research method is qualitative descriptive, and data collection techniques include observation, interviews, and documentation. This research was conducted at the Provincial Health Office of Central Sulawesi using a purposive sampling technique with five informants. Based on the results and discussion, according to Government Regulation No. 12 of 2019 regarding regional financial management, which includes planning and budgeting, implementation, administration, and accountability, it shows that communication has been effective, conducted through technical guidance, meetings, and information dissemination. The quantity of human resources is adequate, but their quality is still lacking in competence. The disposition has been functioning well, characterized by support and commitment from policy implementers. However, the bureaucratic structure has not been optimal. In conclusion, the implementation of financial management policies at the Provincial Health Office of Central Sulawesi has not yet been fully effective.

Keywords: Policy Implementation, Communication, Resources, Disposition, Bureaucratic Structure

INTRODUCTION

With the establishment of Law No. 23 of 2014 concerning Regional Governance, which replaced Law No. 32 of 2004, significant changes were made, including in the management of regional finances. According to Article 89, Paragraph (1) of Government Regulation No. 12 of 2019, regional leaders are required to draft the General Budget Policy (KUA) and the Temporary Budget Priority Ceiling (PPAS) based on the Regional Government Work Plan (RKPD).

The advancement of information and communication technology has influenced the government sector, resulting in an electronic-based public service model known as *e-Government*. This model includes new financial systems such as *e-Budgeting*, which simplifies regional financial planning and management while increasing efficiency and control.

Accountability, value for money, honesty, transparency, and control must be the foundation of regional financial management. In line with Minister of Home Affairs Regulation No. 55 of 2018, the goal of regional financial management policies is to provide accurate financial information to maintain the financial balance of the region. To support financial accountability, regional financial management must be conducted quickly, effectively, and professionally, supported by a reliable information system.

This study focuses on the implementation of financial management policies at the Provincial Health Office of Central Sulawesi. There are still several challenges, particularly in planning, execution, administration, and financial reporting. The budget realization reports show discrepancies due to changes in the information systems. From 2021 to 2024, the Health Office has used various applications, such as SIMDA Online, SIMDA NG, SIPD



Ministry of Home Affairs, and SIPD RI Ministry of Home Affairs, which has caused difficulties in the financial management process.

The purpose of this research is to analyze and explain the implementation of financial management policies at the Provincial Health Office of Central Sulawesi.

LITERATURE REVIEW

In this section, five empirical studies related to qualitative descriptive research are presented, including the authors, publication year, research methods, and research findings. These studies provide a foundation for analyzing the data and focus on the financial management policy implementation at the Provincial Health Office of Central Sulawesi. The following previous studies are described in sequence:

The study by Muhammad Sanif Umakamea, Wilson Y. Rompas, Novie, and R.A. Palar (Umamakea et al., 2017), titled *Implementation of Village Financial Management Policy in Waitina Village, East Mangoli District, Sula Islands Regency*, aimed to understand the implementation of village financial management policies using indicators such as communication, resources, disposition, and bureaucratic structure. The findings showed that the implementation of the village financial management policy in Waitina Village ran smoothly and effectively, starting from the planning process, implementation, to the stages of utilization, supervision, and evaluation. Policy implementation dimensions such as communication, disposition or implementor attitude, and the organizational structure were effectively implemented. However, dimensions such as resources, including the number and competency of the implementing

staff and the supporting facilities, were still limited or insufficient.

Public Policy

Dye defines public policy as "whatever the government chooses to do or not to do." Dye further states that "if the government chooses to do something, there must be objectives, and public policy must encompass all government actions" (Andi Cudai Nur & Muhammad Gruntur, 2019).

Thus, public policy is not simply a statement of the government's intentions or desires. Moreover, what the government does not do can have just as much impact as what it does. Based on this understanding, we can conclude that public policy involves questions of what, why, who, where, and how. All of these questions pertain to the issues faced by decision-making institutions, involving the content, the processes determined, strategies, and the timing of the decision-making and implementation.

While these conclusions provide an understanding of policy, today the term *policy* is more frequently and broadly used in connection with government actions and state behavior in general (Jones, 2015).

Policy Implementation

Public policy implementation refers to the administrative activities carried out after the policy has been set and approved. These activities lie between policy formulation and policy evaluation. Policy implementation involves both top-down and bottom-up logic, meaning that abstract or macro-level alternatives are translated into concrete or micro-level alternatives.

The function of policy implementation is to establish relationships that allow the policy goals to be achieved as outcomes (Andi Cudai Nur & Muhammad



Gruntur, 2019). In Webster's dictionary, *implementation* is defined as "an act or instance of implementing something: the process of making something active or effective; to provide means for carrying out: to give practical effect to" (<https://www.merriam-webster.com/dictionary/implementation>).

In relation to the performance of financial management, according to the policy implementation theory by George Edward III, this study focuses on four aspects:

- **Communication**

Policy implementation will be effective if the policy's measures and goals are understood by the individuals responsible for achieving those goals. Thus, the clarity of the policy's measures and objectives needs to be communicated accurately to the implementors. Consistency and uniformity in the basic measures and objectives need to be communicated so that the implementors understand them clearly.

- **Resources**

This component includes the number of staff, their expertise, relevant and sufficient information to implement the policy, and the fulfillment of necessary resources. This also involves ensuring that there is enough authority to direct the program as expected, as well as having the necessary support facilities such as funding and infrastructure.

- **Disposition or Attitude**

The effectiveness of policy implementation depends heavily on the attitude of the implementors. If they agree with parts of the policy, they will execute it willingly. However, if their views differ from those of the

policymakers, the implementation process will encounter problems. There are three forms of the implementors' attitudes: awareness of the policy, directives or guidance to respond to the program towards acceptance or rejection, and the intensity of this response.

- **Bureaucratic Structure**

Bureaucratic structure refers to the characteristics, norms, and patterns of recurring relationships within executive agencies. The clarity of standard operations, mechanisms, systems, procedures, and the division of tasks, authority, and responsibilities among implementors play an important role in determining the success of policy implementation.

METHOD

This qualitative descriptive study aims to describe how financial management policies are implemented at the Provincial Health Office of Central Sulawesi. Research questions such as "how" or "why" are addressed through this case study, which investigates contemporary phenomena within real-world contexts (Yin, 2016). The study employs two main methods: literature review and field study. The theoretical foundation and research necessity are explored through a literature review by searching and reading references. The field study involves direct observation, collection of secondary data, and interviews with informants.

The interviews were conducted in two phases. The first phase aimed to build familiarity, while the second phase consisted of in-depth interviews to gather relevant information. The research uses both primary and secondary data. Primary data were obtained through empirical data collection



via direct observation and interviews with informants on how financial management processes are conducted at the Provincial Health Office of Central Sulawesi. Secondary data were derived from various written documents and reports related to the research.

In this study, informants were selected purposively, meaning they were chosen from individuals deemed to have knowledge and understanding of the research subject. These informants included the Head of the Financial Division, the Coordinator of the Planning Subdivision, the Assistant Treasurer, and the financial management assistants.

The literature review involved reading literature, documents, and references to understand theories and regulations related to the research subject. The field research, conducted directly on the research subjects, employed various data collection techniques. These techniques included observation (direct observation of the research object), interviews (asking in-depth questions to respondents to gather more information about the research subject), and field study.

The researcher is the primary research instrument in this qualitative study. The researcher conducted observations, collected documents, and carried out in-depth interviews with informants. Data collection instruments included observation (direct observation), data collection through questionnaires, image and sound recordings, and interviews.

Miles, Huberman, and Saldana's (2014) model was used to analyze the research data in three main stages: data condensation (abstracting or transforming data from field notes, interview transcripts, documents, and other empirical materials), data display (presenting the data in narrative

text for the researcher to interpret and draw conclusions), and conclusion drawing (making initial conclusions based on their understanding of the data collected).

RESULTS AND DISCUSSION

In the early days of independence, the Central Sulawesi region was part of the Sulawesi Province, with its capital in Makassar. During this time, all health activities were conducted based on guidelines issued by the Sulawesi Province in Makassar.

In 1960, under Government Regulation No. 5 of 1960, the province of Sulawesi was divided into two parts: South-Southeast Sulawesi Province and North-Central Sulawesi Province. The Governor of North-Central Sulawesi Province at that time was Mr. A.A. Baramuli.

In 1963, the government of North-Central Sulawesi Province established the Health Inspection Office (abbreviated as "IKES"), which served the function of overseeing health matters. Subsequently, the Central Government designated Central Sulawesi as an autonomous province through Law No. 13 of 1964 on the Establishment of the Level I Province of Central Sulawesi, with Anwar Gelar Datuk Madjo Basa Nan Kuning as the first governor. With the establishment of Central Sulawesi Province, the health sector became the responsibility of the Provincial Government of Central Sulawesi, while functionally, it was still under the Ministry of Health.

Based on Presidential Decree No. 44 of 1974 concerning the Organizational Principles of Ministries, followed by the issuance of the Ministry of Health Decree No. 125/IV/Kab/BU/75 dated April 29, 1975, regarding the Organizational Structure and Working Procedures of the Ministry of Health, health offices were established across



Indonesia, representing the central government at the provincial level. The Provincial Health Office of Central Sulawesi was located in Palu, and the Ministry of Health Offices (KANDEPKES) were established in each district, with offices in each district capital.

With the issuance of the regulations mentioned above, two organizations were formed to carry out tasks and functions in the health sector: the Provincial Health Office and the Ministry of Health Provincial Office of Central Sulawesi, which was responsible for health licensing, registration, and supervision of healthcare institutions and professionals. The Provincial Health Office carried out decentralization tasks.

In 1999, the government issued Law No. 22 of 1999 on Regional Government and Government Regulation No. 25 of 2000, which regulated regional government organizations. These regulations governed, among other things, the delegation of deconcentration functions and the assistance tasks previously carried out by the Head of the Provincial Health Office to the Governor of Central Sulawesi, who acted as the regional head and delegated these responsibilities to the Provincial Health Office as part of the Governor's support staff.

As a result of these regulations, the Provincial Health Office merged with the Ministry of Health's regional office into a single organization, the Provincial Health Office of Central Sulawesi. Thus, all assets of the Ministry of Health's regional office, including personnel, equipment, finances, and documentation (P3D), were transferred to the Provincial Government of Central Sulawesi.

In 2001, the Ministry of Health's regional offices were officially dissolved,

and the authority for health services was transferred to the regional government organization established under regional regulations. This was further regulated by the Provincial Regulation of Central Sulawesi No. 06 of 2008 concerning the Organization and Work Procedures of the Regional Offices of Central Sulawesi Province and Governor Regulation No. 55 of 2016, which was later amended by Governor Regulation No. 19 of 2019 regarding the Duties, Functions, and Work Procedures of the Provincial Health Office of Central Sulawesi, and updated again with Governor Regulation No. 57 of 2022 concerning the Organizational Structure, Duties, and Functions of the Regional Offices.

Technical program activities in the health sector continued to adhere to health laws, government regulations in the health sector, Ministry of Health regulations, as well as technical guidelines and implementation instructions issued by the Ministry of Health.

The rest of this section will focus on key elements such as:

1. Communication: Analysis of how communication between stakeholders in the Provincial Health Office ensures the implementation of financial management policies. This includes the ways in which technical guidelines, training, and communication systems are used to ensure effective dissemination and execution of the policies.
2. Resources: Discussion on the human resources, infrastructure, and financial resources needed for effective implementation. This section will further explore the challenges and successes related to resource allocation and



management in financial policy execution.

3. **Disposition:** This subsection will analyze the attitude and commitment of the personnel involved in implementing financial policies, with a focus on their dedication and how they contribute to or hinder the success of the policies.
4. **Bureaucratic Structure:** This part will provide an in-depth look at the bureaucratic framework within which the Provincial Health Office operates, examining its effectiveness and how it impacts the overall implementation of financial management policies.

CONCLUSION

Based on the discussion and the research results regarding the implementation of financial management policies at the Provincial Health Office of Central Sulawesi, the following conclusions can be drawn:

1. **Communication Aspect**

The communication regarding the implementation of financial management policies has been carried out effectively. Socialization of financial management processes, from planning, budgeting, implementation, administration, to financial accountability, has been executed through various activities such as socialization programs, workshops, technical guidance, meetings, and information dissemination through WhatsApp groups. This consistent communication has contributed to minimizing errors and ensuring compliance with financial management procedures.

2. **Resources Aspect**

Human resources significantly influence the successful implementation of financial management policies at the Provincial Health Office of Central

Sulawesi. While the quantity of human resources is sufficient, the quality is still lacking, with many personnel not fully competent or qualified in financial management. Although the available resources, such as facilities, budget allocations, and infrastructure, are adequate to support operational activities, there remains a need to enhance the skills and qualifications of staff through formal and non-formal education.

3. **Disposition Aspect**

The disposition or attitude of policy implementers has played an important role in supporting the implementation of financial management policies. There is a strong commitment and positive support from the policy implementers, and they have demonstrated their dedication to ensuring that financial management aligns with the established rules and regulations. This has been reflected in the efficient and effective management of financial activities and the achievement of unqualified opinions (WTP - Wajar Tanpa Pengecualian) in financial reporting, as endorsed by the Indonesian Audit Board (BPK).

4. **Bureaucratic Structure Aspect**

The bureaucratic structure has not yet been fully optimized. Although the implementation follows Standard Operating Procedures (SOP), there are still aspects that require improvement, such as the full dissemination and adherence to SOPs, ensuring transparency, and enhancing the participation of civil servants (ASN) in the financial management process. Structural inefficiencies in the planning, execution, and financial accountability mechanisms have contributed to the



suboptimal performance of financial management policies.

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