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EVALUATION OF BUDGET MANAGEMENT PERFORMANCE IN THE NORTH BOLAANG MONGONDOW REGENCY GOVERNMENT

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Abstract

This study evaluates budget management performance in the North Bolaang Mongondow Regency Government during fiscal years 2022–2024. The evaluation focuses on three principal stages of regional budget management: planning, implementation, and accountability. The study responds to a gap between the normative requirements of Government Regulation No. 12 of 2019 and observed budget performance, including the delayed enactment of the 2023 budget, low first-semester expenditure realization in 2024, and incomplete follow-up of audit recommendations despite consecutive Unqualified Opinions (WTP). An explanatory sequential mixed-methods design was employed. Quantitative evidence was obtained from regional budget realization reports, financial ratios, budget enactment records, audit opinions, and follow-up reports. Qualitative evidence was collected through interviews, focus group discussions, observation, and document review involving 19 purposively selected informants from budget-management institutions and five regional agencies. The CIPP evaluation model was integrated with COSO ERM 2017 to explain performance and its constraints. The findings indicate that the planning context was moderately adequate, while planning inputs were inadequate. Budget implementation performance was also inadequate, as first-semester expenditure realization in 2024 reached only 38.7% and spending remained concentrated in the fourth quarter. Accountability performance was mixed: WTP opinions were maintained during 2022–2024 and financial statements were submitted on time, but audit recommendation follow-up remained between 64.7% and 72.6%, below the 75% national target. Human-resource capacity and the SIPD-CMS information system were the most dominant constraints, followed by political-budget dynamics, central regulatory changes, and weaknesses in follow-up dispositions. The study identifies a "WTP paradox" and a chain of performance constraints originating in planning inputs and extending to implementation and accountability.

Keywords: *Regional Budget Management; Budget Performance; CIPP Evaluation; COSO ERM; Accountability; Local Government*

1. Introduction

Regional autonomy gives local governments authority to manage public finances in order to support development and community welfare. The Regional Revenue and

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Expenditure Budget (APBD) is therefore not merely an administrative document; it is a principal instrument for translating development priorities into public services and measurable outcomes. Effective budget management requires timely planning, disciplined implementation, and accountable reporting. Government Regulation No. 12 of 2019 on Regional Financial Management provides the normative framework for these processes, while Minister of Home Affairs Regulation No. 77 of 2020 provides technical guidance.

New Public Management emphasizes measurable results, efficiency, and the use of limited public resources to achieve outputs and outcomes. Good Governance complements this perspective through transparency, accountability, participation, and effectiveness. From a value-for-money perspective, the quality of budget management cannot be assessed solely through year-end absorption or the fairness of financial statements. It must also consider whether expenditure is planned realistically, implemented on time, and translated into public benefits (Mardiasmo, 2023).

The North Bolaang Mongondow Regency Government provides an important setting for evaluating these issues. As a newly established autonomous region formed under Law No. 10 of 2007, the regency continues to strengthen its institutional and fiscal capacity. During 2022–2024, its APBD averaged approximately IDR 750 billion per year, while regional revenue remained highly dependent on central-government transfers. The audited budget realization reports show that transfers accounted for an average of 90.4% of regional revenue, whereas locally generated revenue (PAD) contributed only 6.9%. This fiscal structure makes budget implementation particularly sensitive to the timing and conditions of transfer disbursement.

Several empirical indicators reveal a gap between expected and actual performance. The 2023 APBD was enacted on 15 January 2023, 15 days after the statutory deadline. In the first semester of 2024, expenditure realization reached only 38.7%, below the 50% benchmark used in the thesis. PAD effectiveness in 2023 was 82.4% of its target. In accountability, the regency maintained WTP opinions for 2022 and 2023, but follow-up of audit recommendations in 2023 reached only 68.3%, below the national target of 75%. The thesis further documents WTP opinions for all three years, 2022–2024, while TLHP completion increased from 64.7% to 68.3% and 72.6%.

Previous studies have often assessed local-government financial performance through financial ratios or examined individual aspects of budget absorption, accountability, and e-government. Such approaches provide useful measures of performance but may not fully explain how weaknesses in planning inputs lead to implementation delays and incomplete accountability. The research gap addressed here is the limited integrated evaluation of the three principal APBD stages—planning, implementation, and accountability—within one framework at the regency level, particularly in a newly autonomous region.

Accordingly, this study evaluates budget management performance in the North Bolaang Mongondow Regency Government for fiscal years 2022–2024. It examines (1) the context and inputs of budget planning, (2) the process of budget implementation, (3) the products or results of budget accountability, and (4) the factors hindering budget-management performance. The study integrates the CIPP evaluation model with COSO

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ERM 2017 to connect observed performance indicators with the organizational and risk factors that help explain them.

2. Literature Review

New Public Management and Good Governance

New Public Management (NPM) applies performance-oriented management principles to public organizations. It emphasizes measurable outputs and outcomes, professionalism, efficiency, and responsible use of public resources. In regional budget management, NPM provides a basis for assessing whether budget allocations are translated into timely and useful public services rather than evaluating performance only through procedural compliance (Suganda, 2022).

Good Governance emphasizes accountability, transparency, and participation in public decision-making. Accountability requires public officials to explain and justify the use of public resources, while transparency enables citizens and representative institutions to access relevant budget information. Participation helps ensure that budget priorities reflect community needs. These principles provide normative criteria for evaluating the quality of planning, implementation, and accountability.

Agency, Stewardship, and Institutional Perspectives

Agency theory explains the relationship between citizens and their representatives, and between regional leaders and budget-management officials. Information asymmetry may create opportunities for moral hazard and weaken accountability (Jensen & Meckling, 1976). In APBD management, reporting, internal control, and audit follow-up function as mechanisms for aligning officials' actions with public objectives.

Stewardship theory offers a complementary perspective by viewing public officials as actors who may be intrinsically motivated to advance organizational and public interests (Donaldson & Davis, 1991). Institutional theory explains how public organizations adopt formal rules and structures in response to regulatory and legitimacy pressures (DiMaggio & Powell, 1983). These perspectives help interpret why formal compliance may coexist with uneven implementation and why excessive control can sometimes encourage risk-averse delays.

CIPP Evaluation and COSO ERM 2017

The CIPP model evaluates programs and organizational performance through Context, Input, Process, and Product (Stufflebeam & Zhang, 2017). In this study, Context and Input are associated with budget planning, Process with budget implementation, and Product with accountability outcomes. The model allows the evaluation to consider both the conditions under which budgeting occurs and the results produced.

COSO ERM 2017 provides a framework for identifying and managing risks in relation to strategy and performance. The thesis uses its components as an analytical lens to examine governance and culture, strategy and objective-setting, performance and risk responses, information and communication, and review and revision. Government Regulation No. 12 of 2019 establishes what local governments are required to do, while

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COSO ERM helps explain why implementation weaknesses occur and how they may be addressed.

Regional Budget Performance and Accountability

Budget performance in this study is examined through the timing of APBD enactment, alignment and participation in planning, the realism of cash-withdrawal plans, expenditure realization, financial ratios, audit opinions, and follow-up of audit recommendations. The value-for-money perspective cautions that high year-end absorption does not necessarily indicate timely or effective spending. Accountability also extends beyond obtaining an audit opinion to include the completion of recommendations and public access to financial information.

Research Method

This study used a descriptive-evaluative design with an explanatory sequential mixed-methods approach. The quantitative stage first examined documentary indicators of budget performance for fiscal years 2022–2024. The qualitative stage then explored the organizational processes and factors explaining the quantitative results. The two stages were connected through case selection and instrument development, and their findings were integrated through the CIPP–COSO ERM analytical matrix.

The research was conducted in the North Bolaang Mongondow Regency Government. The institutional setting included the Regional Financial and Asset Management Agency (BPKPD), the Regional Development Planning Agency (Bapelitbangda), the Regional Inspectorate, and five purposively selected regional agencies: the Public Works Office, Education Office, Health Office, Agriculture Office, and Regional Secretariat. The five agencies were selected based on the size of their budget allocations and the presence of budget-realization challenges.

Quantitative data included audited APBD realization reports for 2022–2024, budget enactment records, financial ratios, IKPA information within the limited scope of physical Special Allocation Fund (DAK) and regional transfer disbursement monitoring, audit opinions, and the percentage of completed audit recommendations (TLHP). Qualitative data included in-depth interviews, focus group discussions (FGDs), observation notes, and internal policy documents.

The study involved 19 purposively selected informants: four officials from budget-management, planning, treasury/transfer, and internal oversight functions, and 15 technical personnel consisting of activity technical officers (PPTK), expenditure treasurers, and SIPD operators from the five sampled agencies. Interviews and FGDs were used to compare policy-level explanations with operational experiences across agencies.

Quantitative evidence was analyzed through trend and ratio analysis and comparison with the study's stated benchmarks. Qualitative evidence was analyzed using the interactive model of Miles, Huberman, and Saldaña (2014), comprising data condensation, data display, and conclusion drawing. Evidence was coded with reference to COSO ERM components and organized under the CIPP dimensions. Credibility was strengthened through source and technique triangulation, FGDs, and member checking.

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4. Results

Context and Input of Budget Planning

The planning evaluation indicates a moderate Context rating and a low Input rating. APBD enactment was timely in 2022 and 2024, but the 2023 budget was enacted 15 days after the 31 December deadline. Interviews associated the delay with legislative deliberations and changes in central-government regulations. Although leadership commitment and layered review of budget work plans (RKA) were reported, participation in development planning forums remained largely procedural.

Indicator	2022	2023	2024	Interpretation
APBD enactment	30 Nov 2021	15 Jan 2023	29 Dec 2023	2023 was 15 days late; 2022 and 2024 were on time
Musrenbang proposals accommodated	26.9%	27.4%	28.6%	Limited improvement; participation remained procedural
Expenditure cash-plan (RAS) deviation	—	—	18.4% average	Cash plans were commonly based on budget ceilings rather than actual activity schedules

Input weaknesses were more pronounced. The Rencana Anggaran Kas (RAS) was generally prepared by following budget ceilings rather than realistic procurement schedules and payment milestones. Budget-management personnel frequently carried multiple responsibilities, competency levels were uneven, and staff transfers disrupted institutional memory. SIPD-CMS menus and central regulations also changed without consistent periodic training or written technical guidance. The average RAS deviation was 18.4%, with the Public Works Office recording the highest deviation at 24.7%.

These findings suggest that formal planning documents were present, but the readiness of human resources, cash planning, and information systems was insufficient to ensure timely execution. The Context dimension was therefore assessed as moderate, while Input was assessed as inadequate.

Process of Budget Implementation

Budget implementation performance was assessed as inadequate. Expenditure realization in the first semester of 2024 reached 38.7%, below the 50% benchmark. Across the three-year period, expenditure tended to accumulate in the fourth quarter. Although year-end realization reached approximately 89.4%–92.6% of the budget ceiling, the high annual absorption rate concealed delays in delivering activities and services during the year.

Fiscal year	Q1	Q2	Q3	Q4	Pattern
2022	12.4%	36.8%	61.5%	91.2%	Concentrated in Q4

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2023	8.7%	33.2%	58.9%	89.4%	Slow
2024	13.1%	38.7%*	63.8%	92.6%	Concentrated in Q4

**The 38.7% figure is the first-semester 2024 realization reported in the thesis.*

The qualitative findings identify several connected causes: delayed physical procurement and tender processes, shifts in central transfer disbursement, revisions to budget implementation documents (DPA), incomplete supporting documents and accountability reports (SPJ) from activity implementers and third parties, and SIPD server disruptions and synchronization delays with OM-SPAN. These factors affected the timing of expenditure and, in some cases, IKPA performance within the study's defined scope.

Internal oversight through the Accountability Clinic and the work of the EPRA evaluation team were considered useful. However, strict verification and fear of audit findings sometimes generated excessive caution among agency personnel, encouraging delays until documents and uncertainties had been resolved. The implementation problem therefore cannot be attributed only to individual commitment; it also reflects system reliability, workload, procurement readiness, and the design of controls.

Product: Budget Accountability

Accountability outcomes were uneven. The regency maintained WTP audit opinions for fiscal years 2022, 2023, and 2024, and the thesis reports that the financial statements were submitted on time. However, the completion of audit recommendations remained below the 75% national benchmark throughout the period.

Fiscal year	BPK opinion	TLHP completion	Assessment against 75% target
2022	WTP	64.7%	Below target
2023	WTP	68.3%	Below target
2024	WTP	72.6%	Below target

TLHP completion improved by 3.6 percentage points in 2023 and 4.3 points in 2024, but the target had not yet been achieved. The remaining recommendations were difficult to resolve because of old asset documentation, the need for changes to internal regulations, staff transfers, limited responsiveness by some officials, and difficulties contacting certain third parties. The thesis also notes that public access to financial information, including the LKPD and notes to the financial statements, remained limited.

This condition constitutes the "WTP paradox" identified in the thesis: favorable financial-statement opinions coexist with incomplete audit follow-up and weak timeliness in budget implementation. WTP reflects the fairness of financial-statement presentation; it does not by itself demonstrate that budget activities were implemented on time or that all audit recommendations were resolved.

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4.4 Factors Hindering Budget Management Performance

Risk area	Main constraints identified	Implications
Human resources	Multiple duties, uneven competence, staff transfers	Weak planning readiness and discontinuity in documentation
Information systems	SIPD-CMS server instability, menu changes, OM-SPAN synchronization delays	Delayed input, uncertain data, and affected monitoring
Planning and procurement	RAS follows budget ceilings; technical designs and tenders are delayed; DPA revisions	Expenditure is shifted toward the end of the fiscal year
Accountability and follow-up	Incomplete third-party documents, old asset records, weak follow-up disposition	TLHP remains below the national target
External environment	Legislative budget dynamics, central regulatory changes, transfer timing	Reduced local control over planning and cash-flow schedules

Viewed through COSO ERM 2017, the constraints are interrelated rather than isolated. Weak human-resource and planning inputs contribute to DPA revisions and implementation delays; information-system disruptions intensify these problems; and documentation and follow-up weaknesses affect accountability. The dominant constraints are human-resource capacity and SIPD-CMS reliability, followed by external political and regulatory factors and the disposition of officials and third parties in completing audit recommendations.

5. Discussion

The findings demonstrate that budget performance should be evaluated across the full management cycle rather than through a single year-end indicator. The CIPP results show that weaknesses at the Input stage help explain the inadequate Process rating. A cash plan that follows budget ceilings instead of procurement and payment schedules, combined with uneven staff competence and frequent personnel changes, limits the ability of agencies to translate approved budgets into timely activities. This supports the NPM emphasis on results and the CIPP principle that the feasibility of inputs conditions program implementation (Stufflebeam & Zhang, 2017).

The persistent concentration of expenditure in the fourth quarter also challenges the assumption that high annual absorption necessarily indicates effective performance. The 2022–2024 data show final realization between 89.4% and 92.6%, but quarterly trends reveal that substantial spending occurred late in the fiscal year. From a value-for-money perspective, the timing of expenditure matters because delayed implementation postpones the benefits of public services. Therefore, budget performance assessment should combine year-end realization with quarterly targets, procurement readiness, and evidence of outputs.

The WTP paradox illustrates the distinction between financial-reporting compliance and substantive accountability. The regency achieved WTP opinions in all

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three years, yet TLHP completion remained below 75%. Agency theory helps explain how officials may prioritize indicators that are visible and consequential—such as document compliance and the year-end audit opinion—while less immediate outcomes, including timely expenditure and complete follow-up, receive less attention. The findings also indicate that excessively control-oriented oversight may encourage risk-averse behavior and delay decisions.

Stewardship theory provides a complementary explanation. The thesis records examples of officials working overtime to complete SIPD entries, leaders intervening to resolve coordination bottlenecks, and treasurers strengthening document checks. These actions indicate organizational commitment. However, such commitment may become directed toward the dominant institutional target—securing WTP and completing year-end absorption—rather than toward timely delivery throughout the fiscal year. Thus, the persistence of "year-end acceleration" does not necessarily indicate a lack of commitment; it may reflect the way organizational priorities and incentives are defined.

The findings also highlight the role of institutional and technological context. The regency's high dependence on central transfers means that changes in disbursement schedules affect local cash flow. Meanwhile, SIPD-CMS and OM-SPAN synchronization are dependent on national systems and infrastructure. Digitalization can improve documentation and monitoring, but it cannot fully compensate for weak technical planning, limited user training, or system instability. This is consistent with the thesis's argument that performance in a newly autonomous region is partly shaped by systems and regulations beyond local control.

The study's contribution is an integrated evaluation of planning, implementation, and accountability under the CIPP model, supported by COSO ERM 2017 and interpreted through NPM, Good Governance, Agency, Stewardship, Institutional, and policy-implementation perspectives. Three central findings emerge: the WTP paradox; a chain of performance constraints originating in planning inputs; and dependence on national information systems and transfer arrangements. These findings extend ratio-based assessments by explaining not only the level of performance but also the mechanisms behind it.

6. Conclusion

Budget management performance in the North Bolaang Mongondow Regency Government during 2022–2024 was uneven across the three principal stages. The planning Context was assessed as moderate, while Input was inadequate. APBD enactment was timely in 2022 and 2024 but delayed by 15 days in 2023. Planning participation remained largely procedural, cash planning was not sufficiently linked to actual implementation schedules, human-resource capacity was uneven, and SIPD-CMS updates were not consistently supported by training.

Budget implementation performance was inadequate. First-semester expenditure realization in 2024 reached 38.7%, and expenditure was concentrated in the fourth quarter. Delayed tenders, changes in transfer timing, DPA revisions, incomplete SPJ documentation, and SIPD-CMS disruptions contributed to the pattern. Accountability showed mixed results: WTP opinions were maintained and LKPD submissions were

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timely, but TLHP completion increased only from 64.7% in 2022 to 72.6% in 2024, remaining below the 75% target.

The dominant constraints were human-resource capacity and SIPD-CMS reliability, followed by external political and regulatory dynamics and weaknesses in the disposition of some officials and third parties toward audit follow-up. The study recommends strengthening technical planning and cash-flow schedules, stabilizing and training SIPD-CMS users, establishing clear deadlines for SPJ and third-party documentation, improving quarterly performance incentives, and monitoring TLHP through a clear matrix of recommendations, responsible parties, and deadlines.

This study is limited by the availability of documentary data and the scope of qualitative evidence across the sampled agencies. Future research may include additional APBD cycles, expand the institutional range of informants to include DPRD representatives, standardize the measurement of agency and stewardship orientations, and quantitatively examine the relationship between human-resource capacity, information-system quality, and budget implementation performance.

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