Synchronization of Disaster Financial Policies in COVID-19 Management

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Abstract
The COVID-19 outbreak set as a national disaster is one of the steps taken by the government. The government has also ratified the policy of Presidential Decree of the Republic of Indonesia No. 7 of 2020 concerning the Task Force for the Acceleration of Handling Corona Virus Disease 2019 (COVID-19), in addition to supporting the handling of COVID-19, Presidential Regulation of the Republic of Indonesia No. 54 of 2020 concerning the Posture Changes and Details of State Revenue and Expenditure Budget for Fiscal Year 2020. With these two regulations, the government has ordered each region to allocate its regional funds to handle the COVID-19. However, the some concerns emerge regarding the budget misuse, reducing the original amount of budget. The method used in this study is a normative juridical method. In this method, theories, concepts, legal principles, laws and regulations related to this research were examined. The results of the study showed that there are too many financial policies set by ministries/institutions to fight against COVID-19, making the local governments confused about how to implement them. Therefore, proper discretion from the local government to allocate the funds until the reporting stage is necessary, so that their implementation will not contradict the existing laws.

Keywords: synchronization, financial policies, disaster emergency

Abstrak

**Keywords:** singkronisasi, regulasi keuangan, darurat bencana

**INTRODUCTION**

The first transmission of Sars-Cov 2 was reported to occur in Wuhan, a city in China, since the late of 2019 to date. It has now spread to other countries, as reported by CNN on must-know information about corona virus transmission (hereinafter referred to as COVID-19). Due to its rapid transmission, the phenomenon was later addressed as pandemic (Widiyani, 2020). The number of cases increasing within a short time requires an urgent action. However, there is no specific medication to date to treat the COVID-19 infection. The World Health Organization (WHO) states that Europe has become the center of COVID-19 pandemic transmission, with more cases of infections and deaths from COVID-19 than those recorded in China (WHO, 2020).

The basis for the government to announce COVID-19 as a national disaster is Law No. 24 of 2007 concerning Disaster Management. In the preamble, letter a, the a quo law states: “The Republic of Indonesia is responsible for providing protection to the country and all Indonesian citizens, including protection for life and livelihood against disasters to achieve general welfare.” The description of the preamble considering the letter a is in line with the legal adage which states that, “Salus populi suprema lex esto”, which means “people’s safety is the highest priority”.

Another basis for this decision is Law No. 6 of 2018 concerning Health Quarantine. Glory Augusta E.M. Sianipar in his paper states:

"Quarantine aims to be one of the frameworks for implementing Indonesia’s human development as a whole. Health protection for all Indonesian citizens is required, including for those living in strategic islands and at international trade routes because in these areas, the import-export activities as well as migration constantly take place" (Sianipar & Ardini, 2020).

The followings are the initial regulations for disaster determination: Government Regulation No. 40 of 1991 concerning Control of Outbreaks of Infectious Diseases, Government Regulation No. 21 of 2020 concerning Large-Scale Social Restrictions in the Context of Accelerating Handling of the 2019 Corona Virus Disease (COVID-19), Presidential Decree of the Republic of Indonesia No. 7 of 2020 concerning the Task Force for the Acceleration of Handling 2019 Corona Virus Disease (COVID-19), and the Decree of the
Minister of Health of the Republic of Indonesia Number HK.01.07/MENKES/104/2020 concerning the Determination of Novel Coronavirus Infection (2019-nCoV INFECTION) as an Outbreak Causing Disease along with Ways to Overcome It.

A problem emerging from the legal perspective is poor management of budget (deriving from the State Budget (APBN) and Regional Budget (APBD)) as a result of the national disaster policy. To address this problem, the government issued "Presidential Regulation of the Republic of Indonesia No. 54 Year 2020 concerning Changes in Posture and Details of the State Budget for Fiscal Year 2020". According to Article 12 paragraph (2), “Government Regulation in Lieu of Law No. I of 2020 concerning State Financial Policy and Financial System Stability for Handling the 2019 Corona Virus Disease (COVID-19) Pandemic and/or in Facing Threats That Endanger the National Economy and/or Financial System Stability, it is necessary to stipulate a Presidential Regulation concerning Changes in Posture and Details of the State Revenue and Expenditure Budget for Fiscal Year 2020”. However, the government seems to not find the most effective mechanism yet for utilizing the budget because they keep changing the regulations.

A number of issues arise during the implementations, which makes it reasonable for the government to have difficulty determining COVID-19 as a national disaster. This refers to the normal budget regulations that actually do not apply to the current COVID-19 emergency situations. Instead, specific regulations are required regarding the procedures, mechanisms and ways to use the budget, which will allow the social aid can be used properly. Considering a large amount of budget allocated for handling COVID-19, appropriate regulations, transparency, and accountability are critical to avoid budget misuse.

On the Ministry of Finance’s website, it is reported that the government reallocated IDR 62.3 trillion of the 2020 State Budget (Karunia, 2020). Another source states that the budget reallocated for the COVID-19 handling is from expenditure for non-urgent goods, as well as from non-priority capital expenditures with no commitments, totalling IDR 5-10 trillion.

Government Regulation in lieu of Law No. 1 Year 2020 has been used as the foundation for the refocusing and budget relocation policies. Both policies are the government's initial responses to the rapid transmission of COVID-19. The policies include the expenditure addition and financing for the 2020 State Budget, amounting to IDR 405.1 trillion, with 75 trillion of which being allocated for the health sector, IDR 110 trillion for social protection or social safety net, IDR 70.1 trillion for tax incentives and stimulus for People's Business Credit, and IDR 150 trillion for the national economic recovery program.

Furthermore, Presidential Decree No. 9 of 2020 mentions that the funding sources are Phase-1 stimulus, Phase-2 stimulus, and the reallocation of the State Budget/Regional Budget. In detail, Phase-1 stimulus aims to strengthen the national economy; Phase-2 stimulus aims to maintain people's purchasing power and facilitate export-import activities while budget reallocation aims to meet any needs in a highly urgent situation.
Managing a huge amount of fund for the COVID-19 handling turns out challenging for the regional governments. The rationalization of regional budgets, both at the provincial and municipal level, is still not in accordance with the stipulated budget ceiling. In addition, the planning of activities to tackle the COVID-19 pandemic does not run well, affecting the accountability of the local government in the budget management. This is caused by the lack of synchronization between the regional and central regulations for COVID-19 handling.

Based on the reasons above, there are two problems that will be addressed in this study, namely: how is the synchronization of financial regulations between the central and regional governments to handle COVID-19? and what are the implications for local governments regarding the COVID-19 financial management policy according to the laws and regulations?

This research is normative law in nature. Soerjono Soekanto, in his book, states that normative legal research is an approach based on the main raw materials to examine theoretical concepts concerning legal principles, legal conceptions, views and legal doctrines, regulations and legal systems. To support the study, secondary data will be used, which include “principles, rules, norms and legal rules existing in laws and regulations and other rules, by studying books, laws and regulations and other documents relevant to the study” (Soekanto, 2004).

DISCUSSION

Disaster

Natural or human-made disasters can result in losses; thus, the government should take preventive measures as early as possible. To overcome the adverse effects of disasters, certain trainings related to disaster management are required.

The impacts of the COVID-19 outbreak are important to discuss. In a book entitled “Konsep Dan Karakteristik Bencana Pelatihan Penanggulangan Bencana Banjir”, there is an interesting statement saying:

“To deal with disaster emergency situations, a concrete management system is required. Disaster management is a dynamic process, which is developed from classic management functions, including planning, organizing, dividing tasks, controlling and supervising disaster management. The process also involves a variety of organizations that must work together for prevention, mitigation, preparedness, emergency response. and disaster recovery” (Anonimous, 2017).

Another argument says:

“A disaster is an event. A sudden disaster can disrupt the functioning of a community or society. It can lead to human, materialistic, and economic or environmental losses that exceed the community’s ability to cope with its own resources. Although often caused by nature, disasters can also be human-made” (Al-Maaitah et al., 2019)

Meanwhile, Erita said that a disaster cycle can be divided into three phases, namely pre-disaster phase, disaster phase, and post-disaster phase. Pre-disaster phase is the period before a disaster occurs. Disaster phase is the time the disaster occurs while post-disaster phase is the
Stage after a disaster occurs. All these phases correlate to each other and continue throughout the ages (Erita et al., 2019).

Shanti Dwi Kartika (2015) highlights the impacts of the disaster. In her paper, she states:

“Disasters can have a major impact on the economy, social welfare, and political situation of a country. The government plays a key role in disaster management despite the fact that it is a shared responsibility of the government and community. However, the aftermath of disaster may not be able to be fully overcome. Several problems generally arise within disaster management, including unpredictable disasters, limited resources and necessary evacuation equipments, poor coordination between the central government and local governments in disaster management, partial paradigm, and inoptimal performance of the government in protecting disaster victims

According to Law No. 24 of 2007, disaster is "an event or a series of events caused by natural factors, non-natural ones, or human factors, that can threaten people’s lives and livelihood as well as lead to casualties, environmental damage, lost property, and psychological damages”. Referring to Attachment I Paragraph (4) of the Regulation of the Head of the National Disaster Management Agency No. 10 of 2008 concerning the Guidelines for the Disaster Emergency Response Command, disaster management, especially during disaster emergency responses, must be carried out quickly, precisely and in one command. According to Article 47 Paragraph (2) of Government Regulation No. 21 of 2008, to have quick disaster emergency responses, the central government/regional government represented by the Head of BNPB/BPBD Province/Regency/City can appoint an official as a commander.

The COVID-19 outbreak in Indonesia can be categorized as a non-natural disaster. Article 1 Paragraph 3 Law No. 24 of 2007 concerning Disaster Management states that a non-natural disaster is a disaster caused by a non-natural event or a series of events which include technological failure, failure of modernization, epidemics, and disease outbreak.

The 2006 National Action Plan reports that:

“Generally, it is difficult to stop the spread of an outbreak. As a result, a local incident soon becomes a national disaster, leading to many casualties. Poor environmental conditions, climate change, poor diet and lifestyle are only some factors behind the rapid spread (Anonimous, 2006).”

The status of COVID-19 outbreak in Indonesia was set by the Decree of the Head of the National Disaster Management Agency No. 13.A of 2020 concerning the Extension of the Status of Certain Emergency Disasters due to Corona Virus Disease in Indonesia. This decree substituted the previous one, namely Decree of the Head of the National Disaster Management Agency No. 9. A of 2020 concerning the Status Determination of Certain Emergency Disasters due to Corona Virus Disease in Indonesia.

Supartini (2017), in her book, states that everyone is at a risk of disasters; thus, disaster management should be a shared responsibility to improve the awareness and preparedness of all community levels, as in Japan. According to Article 3 Paragraph (2) in the Presidential Regulation No. 17 of 2018 concerning the Implementation of Disaster Management in
Certain Circumstances, disaster management should be carried out under the following conditions: 1) there is a potential disaster with a maximum threat level; and 2) there has been an evacuation/rescue/displacement or disruption of the function of public services with a broad impact on the social and economic life of the community”. Based on the above provisions and scopes, the COVID-19 outbreak in Indonesia can be announced as a national disaster with huge negative impacts on the lives of Indonesians. Hence, special measures and regulations are needed to help the government stop the spread of COVID-19

State Finance

According to Mustaqim, State Financial Management is financial management of the government on financial sources, such as state revenues, state expenditures and financial sources to cover financing deficiencies (Mustaqiem, 2017). The Ministry of Finance in its book on State Financial Management also describes:

“State Financial Management is financial management of the government on financial sources in the form of state revenues, on state expenditures and financial sources to cover financing shortfalls that may arise. State revenue come from various sources, such as taxes and non-taxes, which are under the government’s authority, according to laws and regulations. Government spending is essentially aimed for the welfare of the community. Meanwhile, financial sources for national development come from debt or other sources. Thus, the government’s financial accountability and transparency are expected to comply with the existing regulations (Anonimous, 2018).”

According to Law No. 17 of 2003 concerning State Finance, "State finances are the state’s property in the form of money or goods used for to carry out the state’s duties and responsibilities". When discussing state finances, we also need to discuss the State Budget itself. Based on Law No. 17 of 2003:

“The State Revenue and Expenditure Budget is the annual financial plan of the state government approved by the House of Representatives. The state budget is prepared by the government to carry out the governments’ duties”.

According to Mardiasmo, budget is a statement regarding the estimated performance to be achieved during a certain period of time in financial measures, while budgeting is a process or method for preparing a budget (Mardiasm, 2011).

Arifin P. Soeria Atmadja (2005) emphasized the state budget has become a multi-functional policy instrument that serves as a tool to achieve the goals of the state. This is especially evident when looking at the composition and size of the budget which directly reflects the direction and purpose of service to the community. Therefore, to enable optimal use of the state budget, the budget system and recording of revenues and expenditures must be conducted carefully and systematically. As a system, the management of the state budget has undergone many developments.

Makmur (2011) in his book states to avoid improper budget management by the government, it is necessary to obtain the approval of the people’s representatives. This
conception is very clearly stated in Article 23 A of the 1945 Constitution regarding tax collection by the state, and Article 23C of the 1945 Constitution which relates to other state financial matters, all of which are required to be regulated by laws. The authorization process by the people's representatives through the House of Representatives (DPR) does not stop with the approval of the determination of the State Budget, but more than that, the DPR requires certainty and clarity whether the authorization given has been carried out in accordance with the approval. For this reason, a mechanism for accountability for state financial management is held. Furthermore, because the authorization is given by the DPR through the State Budget every year, accountability for state financial management is also carried out through a mechanism that is carried out at the end of each fiscal year.

The authorization process by the people's representatives through the House of Representatives (DPR) does not stop with the approval of the determination of the State Budget, but more than that, the DPR requires certainty and clarity whether the authorization given has been carried out in accordance with the approval. For this reason, a mechanism for accountability for state financial management is held. Furthermore, because the authorization is given by the DPR through the State Budget every year, accountability for state financial management is also carried out through a mechanism that is carried out at the end of each fiscal year.

The use disaster fund is a joint responsibility of the Government and local governments. This is in accordance with Article 60 paragraphs 1 and 2 of Law No. 24 of 2007. Article 6, Law No. 24 of 2007 states that the government has responsibilities in disaster management implementation, such as: a) Allocating the disaster management budget in an adequate state revenue and expenditure budget; b) Allocating the disaster management budget in the form of ready-to-use funds.

Local governments are also responsible for implementing disaster management. One of which is providing an adequate amount of disaster management fund in the regional revenue budget. The responsibility for the disaster management fund use should be fulfilled by the government, regional governments, National Disaster Management Agency (BNPB), and/or Regional Disaster Management Agency (BPBD) based on their main duties and functions.

Synchronizing Financial Regulations in Handling COVID-19

The COVID-19 transmission has become a serious issue in Indonesia. It does not only affect the health sector, but also the economic, social, cultural, security, government administration sectors. Furthermore, it impacts the relationship between the central government and regional governments in handling the situation. Siti Chadijah says,

"Different responses from the central government and regional governments have led to a discussion as to who actually has the authority to handle COVID-19. Synchronization is needed in this case to achieve a consensus. Since COVID-19 is a pandemic, it puts public health across regions and countries at an extraordinary risk" (Chadijah, 2020)
From the statement above, it can be understood that the COVID-19 outbreak needs to be taken seriously and handled appropriately. The word “extraordinary” in the statement refers to the rapid spread of the epidemic, resulting in a significant number of casualties which demands a national and international cooperation to tackle it. Synchronized policies are also essential to avoid the "panic" among agencies and reach the shared goal.

The government must be able to create policies to achieve the common good. However, ironically, in a critical situation, not all public leaders can make a good decision. Instead, they display poor leadership legitimacy, leading in trust crisis in the system (Tuwu, 2020).

Meiwita P. Budiharsana, as quoted in the Indonesian COVID-19 Handling Learning Study, says that the lack of stability and coordination between institutions has delayed the rapid responses on the COVID-19 issue. Lack of health workers, health facilities and infrastructure have led to suboptimal handling of COVID-19 outbreak (Anonimous, 2021).

A number of policies have been made by the central and regional governments in response to the problems. Both have a collective responsibility to protect citizens in all aspects, including health, social and economic aspects. Economic stability also needs to be strengthened after experiencing some downfalls due to the demands of some policies to terminate all economic activities to mitigate the spread of the virus. There are two policies related to social restrictions, namely Minister of Health Regulation No. 9 of 2020 concerning Guidelines for Large-Scale Social Restrictions in the context of Accelerating the Handling of Corona Virus Disease 2019 (COVID-19) and Presidential Regulation No. 82 of 2020 concerning the Committee for Handling the COVID-19 and National Economic Recovery.

The government also asks the local governments’ officials to synchronize regulations and focus on mass gatherings prevention and economic improvement. According to M. Zamroni, several new terms have arisen since the emerge of COVID-19 Indonesia, such as People Under Monitoring (ODP) and Patients Under Surveillance (PDP) (Zamroni, 2020). The government is required to take appropriate steps in drafting laws and regulations related to that.

Soegiyono (2015) states, formation of legislation is the process of making laws and regulations, starting from planning, preparation, preparation techniques, formulation, discussion, ratification, promulgation, and dissemination. Among all, there is an implicitly stated process which has a very important role, namely the harmonization process. The harmony of statutory regulations can realize the ideals of the law itself in achieving the expected goals.

Regarding the harmonization, Ibn Sina Chandranegara uses the term “simplification”. Simplification refers to a way to control the quantity of regulations that become positive laws (currently in force) to realize proportional regulations (Chandranegara, 2019). Due to a large number of existing regulations, regulatory simplification must be massive and fast. Therefore, developing simple criteria to carry out the simplification process is necessary.

As a form of state administration, regulation acts as an instrument to realize the policies and achieve the state goals. The instrument must be well-constructed to allow the policies to
boost social dynamics more orderly, and to improve the performance of the civil servants (Sadiawati, 2015).


Siti Chadijah (2020) states that in the context of the general korbinwas, the steps taken by the central government have been informed to the local governments through a written document (guideline). The goal is to allow the local governments to gain an understanding of the COVID-19. According to Siti Chadijah, this is not an ordinary pandemic but a war on
COVID-19. Therefore, the Ministry of Home Affairs has prepared five strategies, namely: (a) a strategy to prevent the spread of COVID-19; (b) enhancement efforts of the immune system; (c) health capacity building; (d) increasing food security and the medical device industry; and (e) strengthening the social safety net. Meanwhile, to establish a good coordination between the central and regional relations, the Ministry of Home Affairs establish some principles, namely: (1) protecting public health from disease and/or public health risk factors is the responsibility of the central and local governments (concurrent affairs); (2) determining the implementation of affairs based on the criteria of externality (perceived impacts), effectiveness, and accountability; (3) collaboration between the central and local governments; and (4) the President as the supreme commander of all executive affairs. For this reason, a task force is created to handle the COVID-19 pandemic.

Next, what can a local government do based on regulations on the utilization of the COVID-19 budget? At least the local government can make adjustments to the 2020 State Budget, in accordance with the guidelines set by the ministry. These adjustments can be reported accountably, and must be reported to the Ministry of Finance and the Ministry of Home Affairs.

The Aceh Government and the district/municipal government have conducted budget refocusing through their respective regional revenues and expenditure budgets. According to Reza Saputra:

“The budget has been reduced from IDR 17,279 trillion to IDR 15.798 trillion. The revenue budget has also been reduced from IDR 15,457 trillion to IDR 13,975 trillion, due to the reduced income adjustments and a refocusing on SKPA activities for handling the COVID-19 pandemic. Furthermore, fund from the special financial aid is IDR 300 billion; grant spending is IDR 80 billion; grant funds for OKP and mass organizations are IDR 15 billion; social aid is IDR 7 billion; the social safety net fund is IDR 1.5 trillion; unexpected aid (BTT) is IDR 326 billion; and fund from SKPA is IDR 131 billion” (Saputra, accessed on 20/8/2021).

Referring to the regulations above, there are still some weaknesses found in the implementations, especially in the budget management for the COVID-19 handling at the regional governments, including in the Aceh government. In 2020, the existing policies were found ineffective to accommodate the mechanism for the proposal, disbursement and reporting of the budget in detail, which makes the local governments confused on how to carry out budget transparency and accountability in public.

In terms of transparency, the government has not yet provided detailed information on the COVID-19 handling program and national economic recovery, both regarding beneficiaries and budget performance. The procurement report also does not have a "COVID" tag, making it difficult to find specific information on procurement (Aditya, 2020).

Another drawback is that the mechanism for reporting on state financial policies to deal with the COVID-19 pandemic impacts on National Public Procurement Agency (LKPP) has not yet been prepared along with the realization of tax incentives and facilities in the context of COVID-19 Handling and National Economic Recovery of 2020. Thus, it can be
concluded that the effectiveness, transparency, accountability and compliance in the management and responsibility of state finances under the COVID-19 emergency conditions have not been fully achieved.

The dilemma in preparing financial statements is a challenge for the government. An urgent situation needs an extraordinary response, causing the government to urge the financial management of the 2020 refocusing to be carried out properly based on the principles of transparency and accountability. The principles of good governance should be applied, and every cent of the budget should be for the benefits of the community (Putra, 2021).

Hendra Susanto states that BPK as the Supreme Audit Agency should identify ineffective pandemic policy strategies, such as procurements with false amounts, at inappropriate times, and goods with low quality (Anshory, 2021).

Based on the research findings, in terms of expenditure, funds are actually allocated based on the goods’ original selling values. However, when the situation worsened, certain parties took advantage of it by increasing the selling values of health products. This exacerbated the situation and the government’s reporting.

Some risks faced by the government in preparing financial reports on the COVID-19 handling include strategic risks, moral hazard risks (fraud), operational risks, compliance risks and financial statement presentation risks. This is reasonable because BPK audit is generally carried out on the presentation and accountability of K/L budget management during the pandemic, the budget resulting from refocusing, as well as the reallocated budget.

Many questions arise related to the budget reporting for COVID-19 handling. Every K/L is questioning whether the impacts of COVID-19 are presented separately in an extraordinary post of the operational report or included in the ordinary notes on the financial statements. Each ministry thus needs to provide valid information to clear up the confusion. Many unanswered questions about the reporting at the regional level will delay the reporting and realization of appropriate budget utilization.

Looking at the above paradigms, the only way to deal with inappropriateness in budget utilization is to synchronize the current policies. Synchronization of laws and regulations can be done in vertically and horizontally. Vertical and horizontal synchronizations examine how synchronized the written positive laws are in the same field (Wandasari, 2013).

Further, Shandra Lisya Wandasari (2013) suggests that the disaster management legislation synchronization should be divided into at least 3 parts: sociological urgency, empirical urgency, and normative urgency. Sociological and empirical urgencies are assessed based on the real needs and conditions of the community. Both are accommodated in normative urgency, where the government makes policies based on real situations.

Thus, synchronization of laws and regulations is needed to make the handling of COVID-19 effective. Among policies that need synchronization are those related to the budget management, and accountable reporting because the current policies are still too general.
Implications for the Local Governments on COVID-19 Financial Management Policies Based on Legislations

In general, supervision is needed by internal institutions and external supervisors to maintain the continuity and transparency of financial management. It is interesting to look at proper use of budget in relation with budget distribution by Regional Work Units (SKPD) at the district/city and village level. In general, the village governments within a district/city have not received adequate training on the distribution of special funds for villages to handle the COVID-19.

The Ministry of Villages has permitted village funds to be used for tackling COVID-19. In accordance with the policy of the Ministry of Village Affairs, Development of Disadvantaged Regions and Transmigration (PDTT) emphasized that the use of village budget should be focused on tackling the COVID-19 outbreak. The establishment of the COVID-19 Alert Village and the Implementation of Village Cash Work Activities (PKTD) are the steps taken to tackle the spread of the COVID-19. Both are funded directly through Village Fund Budget (APBG). Thus, if a village does not have the necessary funds, the village must revise its APBG based on the applicable regulations.

Ideally, village governments within districts/cities in Aceh that do not revise their village budgets should immediately do the revision and focus on fund distribution for handling the COVID-19. This is in line with the command of the Governor of Aceh in Letter No. 412.2/5429 regarding the Use of 2020 Village Funds for PKTD, COVID-19 Prevention and COVID-19 Alert Response Villages. Therefore, villages that have or have not set the 2020 APBG, but have not carried out the PKTD activities or activities to prevent the spread of the corona outbreak. Quick Response Village are also required to immediately run these activities by referring to SE Kemendes PDTT No. 8 of 2020.

Based on the research findings, Aceh’s policies related to the village budget for the prevention of COVID-19 in the form of Village Fund Direct Cash Assistance (BLT DD) was distributed directly to 23 Regencies/Cities throughout Aceh. The distribution mechanism was aligned with Minister of Finance Regulation No. 50 of 2020, for 6 months starting from April to June (3 months) with IDR 600,000/month per Beneficiary Family (KPM). The distribution was evaluated by the Governor, and the first phase of distribution had reached 90%. Several other districts/cities had even completed 100% of the Direct Cash Assistance (BLT) distribution.

The following is the percentages of BLT DD distribution in the districts/cities in Aceh:

<table>
<thead>
<tr>
<th>Regency/City</th>
<th>Percentage (%)</th>
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<tbody>
<tr>
<td>Northwest Aceh</td>
<td>100</td>
</tr>
<tr>
<td>Pidie Jaya</td>
<td>100</td>
</tr>
<tr>
<td>Banda Aceh</td>
<td>100</td>
</tr>
<tr>
<td>Langsa</td>
<td>100</td>
</tr>
<tr>
<td>Aceh Besar</td>
<td>99,7</td>
</tr>
<tr>
<td>Southwest Aceh</td>
<td>99,3</td>
</tr>
<tr>
<td>Gayo Lues</td>
<td>99,3</td>
</tr>
</tbody>
</table>
South Aceh | 90,8
Central Aceh | 90,5
North Aceh | 90
Aceh Singkil | 87,9
East Aceh | 72,9
Bener Meriah | 72,8
Simeulue | 71,7
Sabang | 61,1
West Aceh | 56,8
Lhokseumawe | 45,6
Pidie | 41,2
Aceh Tamiang | 40,8

This research includes Aceh Besar and the City of Langsa with 99.7% and 100% of BLT DD distribution, respectively (Azhari, 2020).

During the pandemic, supervision is carried out by the Government’s Internal Supervisors. The task is generally similar with the previous one, but only broader. Other supervisory tasks are done by the Regional Inspectorate, with special Operational Standards during the pandemic. The two institutions set the examples on how to maintain the accountability of a local government in financial management during the pandemic.

During the COVID-19 crisis, the inspectorates only provide assistance on budget distribution and utilization by cross-checking the budget proposal document of the SKPD to find the spending details for COVID-19 handling. In the City of Langsa, the assistance provided by the local inspectorate is reported to be realistic and synchronized with the allocated funds.

The mechanism for expenditure and budget utilization is confirmed by the Aceh Provincial Financial Management Agency. In the interview, it is stated that the COVID-19 pandemic needs to be addressed individually and collectively with good coordination between institutions. The allocated budgets for COVID-19 handling should also be used properly. This strict regulation results in a different procedure to receive the fund.

Article 2 Paragraph (1) letter d and letter k of Government Regulation in Lieu of Law No. 1 of 2020 states:

“The government has the authority to take actions that result in expenditures at the expense of the State Revenue and Expenditure Budget, for which the budget to finance these expenditures is not yet available or insufficient, as well as determining the process and method of procuring goods/services and simplifying the mechanism and documents in state finances”.

As a result, a question arises on “what types of conditions are categorized as “urgent” that allow the Treasury Officer to take actions resulting in expenditures at the expense of the APBN whose funds are not available/sufficiently available in DIPA? Urgent conditions during the COVID-19 pandemic are the conditions that require medicines, medical devices, health infrastructure,
human resources (health and non-health workers), and other activities related to the handling of the COVID-19 pandemic.

To accelerate the reporting of COVID-19 handling, including the reporting of budget use, the Task Force at every district/city is required to submit a progress report. A quick response is highly needed to enable the government to update a policy on the reporting system in the Special Standard Operating Procedure (SOP).

The parties authorized to carry out internal management supervision are inspectorates at the district/city and the provincial level. Meanwhile, external audits are carried out by the Provincial BPKD and the Provincial Representatives Audit Board. Some issues still exist, especially in the reporting. Where the government has not compiled a mechanism for reporting state financial policies to handle the impact of the COVID-19 pandemic on LKPP in the context of implementing Article 13 of Law No. 2 of 2020. This is another problem for regional governments, including the Aceh’s government. The disbursement and distribution of funds, either in the form of cash or goods, almost reached 100% per region. However, in terms of reporting, not all districts/cities understand how the special reporting system works for the COVID-19 fund use.

There is huge uncertainty about the impacts of COVID-19, but the impacts are certainly not permanent. It is difficult to predict the specific impacts and the effectiveness of policies made by the government/authority, and to incorporate them into a reasonable and supported estimation basis. However, changes in the economic conditions must be reflected in the macroeconomic scenario adopted by the entity and in its weighting.

Several challenges also exist in realizing the spending for tackling COVID-19. The government has allocated some fund to the local governments, and the local governments use them based on the existing policies. The right way to use the budget, however, is still hard to define. Not to mention each regional staff’s poor knowledge of using the fund well and practicing accountability.

The work units per district/city tend to work at a slow pace due to limited qualified workers. Meanwhile, proper planning, preparation, budget implementation instructions, funding mechanisms, and verification are required. Such slow work pace can affect the economic condition of the community.

Another challenge is related to the collection of data of the COVID-19 victims. The number of victims rapidly increases every day, which makes the regional work units confused about how to allocate the COVID-19 fund to those who deserve it. Problems also arise in districts/cities with minimal budget, resulting in slow economic recovery.

This is confirmed by Wildan Rahmansyah (2020) who states: "The provision of aid by the Central and Regional Governments create much confusion. It takes a long time for the beneficiaries to receive it and quite often, the beneficiaries are not those who deserve it. It is also unclear whether this is the common procedure or is caused by far distance between the government and the community or complicated bureaucracy for the distribution. Multi-level doors to
receive the social aid has created different schedules and perspectives. Sometimes, the data are also not valid.”

Another study states that "overlaps in government policies related to the COVID-19 social aid issues, creating confusion and chaos in its implementation" (Mufida, 2021).

Social aids for COVID-19 come from many sources, such as cash from village funds, social aid in the form of cash, exemption from electricity costs, pre-employment cards, and expected family program’s extra participants. Based on the literature, news and information regarding the distribution of social aid during the COVID-19 pandemic, the main problem is inaccurate data of social aid recipients."

In this situation, there should be accurate data of the social fund beneficiaries. However, the existing data are often inaccurate which creates many problems. The government should then establish a good coordination vertically and horizontally with its agencies to collect real data.

In the monitoring, the current provisions state that the internal supervisory unit consisting of the Inspectorate and the Regional Financial Supervisory Agency should carry out their main duties in addition to providing assistance. In addition, the internal supervisor can ask the district/city SKPD to speed up financial management reports for handling the COVID-19 outbreak.

Monitoring is also done on village funds. As a "guard" for regional financial transparency, the district/city inspectorate is advised to participate in the assistance and monitoring related to the village fund distribution to each village. The goal is that every village head can carry out their duties in accordance with the existing laws and regulations regarding the utilization of COVID-19 funds.

This is to facilitate the fund distribution to the right beneficiaries, especially to the COVID-19 patients. Village funds are basically used for the community’s sake and should be accountable. To achieve the accountability, there should be training or guide on how to make an appropriate financial reporting because many village governments’ officials do not understand how the COVID-19 reporting system works.

CONCLUSION

A number of policies accommodated by the ministries to the local governments have caused the public to question the government’s transparency and accountability in budget use and reporting. The unsynchronized regulations related to the proposal mechanism, disbursement of funds and reporting have led to administrative unpreparedness of the local governments. Vertical and horizontal synchronization are thus pivotal to solve these problems.

In general, the distribution of COVID-19 social funds, either in cash or in the form of goods, has almost reached 100% in each district/city in Aceh. However, there are still some issues found by external and internal supervisors in the implementation, suggesting that there should be a special regulation serving as a main law in disaster management.
BIBLIOGRAPHY


