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## Dilemmatic Challenges of Budgeting for Poverty in Local Government in Indonesia

Bonnix Hedy Maulana<sup>1</sup>, Sukma Wijayanti<sup>2</sup>

<sup>1,2</sup> Universitas Muhammadiyah Kudus Indonesia

Correspondent: [sukmawijayanti@umkudus.ac.id](mailto:sukmawijayanti@umkudus.ac.id)<sup>1</sup>

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**ABSTRACT:** This study aims to identify risk conditions in budgeting inhibiting Local Government when ensuring pro-poor budgeting each year. Qualitative was used in this study, and Semi-structured interviews were conducted with senior managers and local government staff involved with managing pro-poor budgeting. The main findings, first, is the dilemma in determining budgeting priorities in the region, then at the end of the budgeting process in the budget battle that is raised in the expectations. The emerging political risks evolve from maximizing interests by realizing political promises as a form of moral accountability.

**Keywords:** Pro-poor budgeting, risk management, dilemmatic, local government, Indonesia



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### INTRODUCTION

The potential risk in budgeting in local government will arise because budgeting is a complicated process. The complexity of the budgeting process in local government can be reviewed by the parties involved and the budgeting stages carried out. In the Political Institutional Context, the executive-legislative relationship established is another check and balance mechanism (Ho 2018). The budgeting process involving the public, the government, and the legislature allows the resulting budget to reflect the needs of only some parties. An important point conveyed by public sector organizations such as the government is the achievement of the mission of a politically mandated organization and the fulfillment of the aspirations of citizens reflected in the mandate (Grossi and Argento 2022). This relation raises the risk of a budget that is more focused on the political interests of certain groups (Magner & Johnson, 1995). Yildiz & Saylam (2013) stated that one form of risk that needs to be anticipated in the budgeting process is the ability of managers in public organizations to make budget cuts. The purpose of managers in public organizations to create budget gaps is related to the political perception of the organization is to protect and increase personal interests. Risks that arise in the budgeting process need to be anticipated with risk management. Collier & Berry, (2002) said there needs to be a separation of budgeting and risk management for risk management in the budgeting process.

Risk management is a concept widely applied in private organizations (Arena, Arnaboldi, and

Azzone 2010), then (Palermo 2014) conducts risk management studies in the public sector state that risk management aims to realize organizational accountability. In addition to the expectations for accountability, that is one of the drivers of risk management practices in the public sector related to environmental aspects in government, such as government policy, external assessment criteria, and professional standards (Collier and Woods 2011; Crawford and Stein 2004). The study conducted by (Rana et al. 2018) reformed risk management in the Australian government to improve performance and accountability. Government programs may take years to produce the impact of program implementation. Therefore, reforms to risk need to be sustainable and not just short-term or fixed term. In addition, addressing complex problems in government requires a broader perspective beyond a department-based framework. A stronger cross-departmental and whole-of-government effort (Ahn et al. 2014). Risk in budgeting has four domains, namely financial risk, operational risk, political risk, operational risk, and based on the process and contents of the (Collier and Berry 2002). Collier & Berry (2002) still needs public sector research related to risks in the budgeting process to reveal holistically related risk management and budgeting practices. Osborne et al. (2011) in their research conclude that there needs to be more literature regarding risk management in the public sector. In addition, existing literature needs to provide a clear and comprehensive background of risk in the specific context of the public sector.

In Indonesia, poverty has become one of the most talked about issues in socio-economics, and It must be faced by all governments worldwide (El 2020). Indonesia has 33 provinces with varying numbers of poor people in each province. Every province in Indonesia over the period 2010-2019 shows an increase in GRDP. It means each province has succeeded in increasing its performance by increasing production during this period. Although the real GRDP of each province in Indonesia increased during this period, the efforts made by provincial governments towards this increase need to be assessed regarding their impact on the reduction in the number of poor people in each province (El 2020). The national government formed a Team to Accelerate Poverty Reduction (TAPR) from the national to the district level in 2010. Regional poverty reduction teams are encouraged to play a role in reducing poverty in the region. Several researchers have researched the team's role in poverty reduction. It was just that another study conducted by Azhara (2016) found different results on the function of the team that has yet to be able to encourage poverty reduction. Azhara (2016) explained that the team had not played an optimal role at the district level and needed to be more effective.

TAPR which is in level Province and districts had some tasks just like in national team. The members of this team consist of regional heads and deputy regional heads. Their job is to ensure that regional poverty reduction programs can be implemented and budgeted. It's just that on one side those who are elected as regional heads and deputy regional heads have a vision and mission that must be realized. Regional heads and deputy regional heads also conduct political communication with the legislature and the community. Study of understanding of the influence of political context on government budgeting The consequence is that each party has an interest that needs to be accommodated. The form of accommodated legislative and community interests is to be included in the regional program budget. Therefore, regional heads and deputy regional heads are faced with many interests that must be budgeted in regional programs. Meanwhile, this TAPR contains members of the public manager who do not have full authority in determining the

program budget, especially regional

poverty reduction programs. Study of understanding of the influence of political context on government budgeting already done by (Lapsley et al. 2011). Then there needs to be more indepth research to explain the reality of budgeting and the risks the team faces. This study aimed to identify risk conditions in budgeting that hamper the team, especially at the district level, when ensuring pro-poor budgeting each year. This study contributes to efforts to mainstream poverty reduction with proportional budgeting from local governments.

To know more about the meaning that makes dilemmatic challenges of budgeting for poverty in local government in Indonesia. The followings are the explanations:

### 1. Risk Management in government

Worldwide, governments face the challenge of better managing their daily risks. At the same time, there is an increasing demand for risk management, especially for governments, mainly following past financial and economic crises or increases in terrorist threats (Ahmeti and Vladi 2017). Institutions in the public sector are generally large and highly bureaucratic, making difficult any incentive towards risk management in this sector (Dobrea & Ene, 2006). The degree and variety of risks government bodies face in their daily activity are enormous, and the key responsibility of these authorities is to assure the public that no current or potential risk will threaten the perceived public value. Most of the time, public institutions have to deal as well with many risks which practically are the responsibility of the private sector, but they are just not well equipped or willing to do so (Braig and Sellgren 2011)

The public sector perceives risk management as a good governance mechanism to achieve organizational objectives (Collier and Woods 2011). Risk management studies in the public sector aim to enhance governance, specifically to respond to stakeholders' demand for better control of public resources and to focus on exploring risks existing in the Government's contractual relationship (Bakar et al. 2019). Risk management offers considerable potential to public managers; managing risk in the public sector involves complexities that private managers do not face, at least not to the same extent. Unique challenges in assessing and managing risk stem from numerous conflicting public demands and expectations placed on government agencies, the political nature of public decisions, the broader stakes and uncertainties associated with public programs, and the highly decentralized and indirect channels through which public programs and interventions are delivered. This higher risk profile makes risk management potentially more important for the public sector and more difficult (Posner and Stanton 2014).

The risk management process has to be established within an institution to dilute the excessive concentration of power in the management's hands. Besides being well-trained in risk management, managers also require the skills to negotiate and manage contracts and outsourced programs. Meanwhile, public sector managers need to equip themselves to identify and manage risks and opportunities to ensure accountability (Queensland Treasury, 2011). However, the discussions of risk in management are most commonly linked to closed/rational concepts and the use of probability, primarily in capital budgeting decisions, to reflect unpredictability (Collier and Berry 2002).

According to (Rana et al. 2018), there was a connection between risk management and performance. Government entities must contextualize risks and identify and describe key factors

influencing and recognizing risks in performance measurement. These activities can build the sustainability of government activities and use them for risk-based strategic decision making. Poverty reduction was one of the Government's targets and performance for their program, so the Government had to achieve this target.

### 2. Risk Management and budgeting

Federal managers need help with effective risk management. If they are political appointees, agency heads may rotate into and out of their positions after only a short time with the organization. This rotation can create a short-term perspective that precludes setting a tone at the top about risk management. Alternatively, one agency appointee seeking to establish a strong risk management culture may depart and leave the reins to a successor who sets different goals and priorities to make a name with new initiatives (Posner and Stanton 2014). Indeed, one of the government's essential roles is to absorb risks so that the economy and special categories of individuals and groups may enjoy greater productivity and incomes. In protecting the private sector from undue risks, the government often exacerbates its fiscal and managerial risks.

Budgets are tools of governance that can be used to convey organizational goals to organizational actors (Bouwens and Abernethy 2000; Goddard 2004). Governance involves setting goals and monitoring their implementation (Bevir, Rhodes, and Weller 2003). Budgets can be used to institutionalize political policies that are not necessarily linked to how organizational actors think and act (Lapsley et al. 2011). In this setting, the links between the institutionalization of governance and budgetary policies and the accountability of budgetary actors become complex realities and need further conceptualization (Gibbons and Henderson 2011; Greiling and Spraul 2014)

Budgets can be thought of as management tools to portray in quantitative terms the environmental–organizational interface. In so doing, budgets reflect environmental constraints and opportunities and organizational strategies and goals for dealing with the environment (Collier and Berry 2002). The budgeting process is a formal method by which plans are established for future time periods. This implies a consideration of risk and/or uncertainty. However, the assessment of risk is problematic because it can be conceptualized by reference to the existence of internal or external events; information about those events (i.e., their visibility); managerial perception about events and information (i.e., how they are perceived); and how organizations establish tacit, informal (or explicit and formal) ways of dealing with risk.

The budgetary process as a political phenomenon has long been a subject of interest for political scientists. However, efforts to develop relevant propositions and subject them to rigorous testing through the careful collection and analysis of data have been rare (Otto A. Davis, M. A. H. Dempster, 1964). The general interest view comes close to excluding politics altogether as a legitimate activity if it extends beyond a kind of "political man," individualistic act of voting on election day. By contrast, Laitin, D. D., & Wildavsky (1988) sees politics as conflict, a struggle among groups pursuing conflicting goals and objectives. The political process becomes a search for compromise, accommodation, for adjustment to the realities of political influence.

The ubiquitous use of budgetary control is largely due to its ability to weave together all the disparate threads of an organization into a comprehensive plan that serves many different purposes, particularly performance planning and ex-post evaluation of actual performance *vis-à-vis* the plan (Hansen, Otley, and Van der Stede 2003). There needs to be more evidence of research into risk concerning the content of budgets or the budgeting process (Collier and Berry 2002).

According to (Ahmeti and Vladi 2017) and (Braig and Sellgren 2011), there are several risk management challenges in the public sector, including the need for separation between operating and program budgets. The budget for the program is implemented to achieve the performance of the government and the achievement of accountability to the community. In setting the budget for the program, it needs to be discussed with the legislature. Legislatures had to do the task of examining budgeting (Hara 2019). This condition can be one of the risk areas in government because it can give rise to hazard morale. The Institute for Popular Democracy points out that “the budget process in many local governments across the Philippines remains prone to patronage, corruption, and abuse of power, being highly dependent on informal processes and power relations within and outside the municipal building halls.”(Brillantes 2007).

### 3. Pro Poor Budgeting Practices

In developing countries where political and economic empowerment is seen as the only viable way to overcome chronic poverty. Whereas now, there has begun to be a shift in the perspective of donor countries on the way development projects are managed and financed. Recipient states are asked to demonstrate re-planning of how public funds and assistance are channeled through a participatory process to the community. Then the government develops directions and plans for using participatory future development assistance (Saguin 2018). A participatory budgeting approach occurs in Indonesia through the Indonesian National Community Empowerment Program (PNPM Rural). The assistance provided for this program is in the form of block grants to the poor, resulting in a positive impact on income by 9.1 percentage points among poor homes, reducing poverty by 2.1 percentage points (Voss, 2012). The national budget provides perhaps the best case in point. During economic downturns, government often plays a time-honoured role of stimulating the economy by increasing its own deficit through spending increases and/or tax cuts. Weak budget execution can be the result of poor budget formulation but a number of other factors can also play a role, such as volatility of revenues and weak enforcement of rules. One of the most common ways in which budgets are being linked explicitly to the Poverty Reduction Strategy (PRS) is through the identification of priority sectors or programs (The World Bank 2007). These sectors and programs are given priority in resource allocation during budget formulation, and their activities are tracked more closely during implementation.

Program budgeting is based on the premise that all budget items can be linked to discrete outputs that contribute to the achievement of specific policy objectives, such as those included in PRSs. The introduction of program budgeting has the aim of increasing the results orientation of budgets, through a restructuring of the budget system that allows for the creation of explicit links from, for example, expenditure on basic health care, to delivery of health services, to outcomes such as reductions in morbidity or mortality indicators (The World Bank 2007).

## METHOD

### 1. Participants

The participants involved in the study came from a team in one of the local governments at the district level, which has a high poverty rate in the Java area in Indonesia. The number of informants is as many as four people and has direct experience in budgeting, and the risks faced. The selected informants come from members of the manager and middle managers at the team and are also

part of the local government budgeting team. Informants have also been involved in the planning and budgeting process for the annual budget in the area for the past five years. Related to determining the number of information, Alase, (2017) explained that in the tradition of phenomenological research, the size of participants could be between 2 and 25 people. Peat et al., (2019) emphasizes that "IPA studies are conducted on relatively small sample sizes, and the goal is to find a fairly homogeneous sample, so that, in the sample, we can examine the convergence and divergence in some detail."

### 2. Procedure

This study was conducted qualitatively with phenomenology. Interviews are conducted with team members with experience in regional budgeting and budgeting for poverty issues. In addition, they are also involved in the annual budgeting process of the region and interact with various organizational interests internally (between work units and leaders) and externally, namely the Legislature. The interview was conducted directly by researchers that lasted for 2 hours. During the interview, the researcher submitted a consent form about the confidentiality of data and informants. Discussions are recorded audio and transcribed verbatim. The transcript was then anonymized by renaming the participant under a pseudonym.

### 3. Analysis

Transcription is manually inserted into excel and then analyzed the theme is using Smith & Osborn (2007) double hermeneutics. Transcriptions are available, examined, and made initial noting and continued to create developing emergent themes. Then the theme is searched for cross-connections between emergent themes and continues to use the same steps in the subsequent cases. Finally, all cases are analyzed, and then look for patterns between casespajak.

## RESULT AND DISCUSSION

The themes identified through theme analysis are:

### 1. Budgeting for Pro-poor was the dilemma

The informant said that the importance of regional programs and activities must refer to poverty reduction. At the time it will be implemented constrained by the many interests in the region and require local budgets as well. The issue of poverty in the region becomes an important issue that must be accommodated in the regional annual and medium-term planning and budgeting documents (5 years). Medium-term planning and budgeting documents have targeted that poverty rates must be met to be lowered each year: "*(The target) in the RPJMD (district middle term planning and budgeting) document is to reduce (poverty) every year by 1%, and that has not been achieved until now, sir, because this year it was only one percent, the previous year it was 0.5-0.8%*" [Julio, 2 October 2019].

The issue of poverty alleviation has been established and entered as an official regional document that must be achieved. The Legislature has also realized that the issue of poverty in the district must be addressed immediately because the poverty rate of their districts is still high among other districts.

*"...even though every year it asks mas (say hello to someone) who asks the council for each LKPJ (Local Government Accountability Report) to discuss the APBD (district annual planning and budgeting) for poverty in the APBD,*

*what percentage, they always ask... so if you look at the minutes of discussion Annual planning & budgeting always appears in the general view of the council regarding poverty because we are quite large in the central region, we are number 4 or 5, right?" [Julio, October 2, 2019]*

To reduce the poverty rate, commitments and budgets are needed so that they can achieve the desired poverty reduction target. Achieve the poverty reduction target by requiring a large budget and not yet the main one, so it is not accessible to the budget. The budget for poverty still needs to be fully understood as a priority in planning and budgeting by stakeholders.

*"The regent (head of district) gave good input... he was the head of the LPRTF (before he became regent now)... the Legislature is very focused but only on poverty rates... only with the (need) data validation (poverty) we do not (do not) get priority (budget)... because we just emphasize on infrastructure... for example, the need for 500 million for data validation will be inferior to the construction of the ABCD road segment... So if we talk about the priority scale of the authorities, they are more inclined towards infrastructure development politically, which is more beneficial than we are discussing the poverty of one person." [Julio, October 2, 2019]*

Regional budget determination is directed at the allocation of more priority financing, primarily to fulfill regional political promises that make pro-poor budgeting yet to be a priority.

*"...there is a multiyear activity because the local government and the council want to make sure that the board (has) its moral responsibility in the RPJMD (and) wants to make it a success (multiyear activity) that is why a multiyear bond was created between the regional leadership and the board leadership" [Ashley, September 12, 2019]*

The priority of these multiyear activities must be carried out to the maximum and completed before the end of the leadership period. Fulfillment of multiyear activities affects the process of budgeting stages, and this process is accelerated even though the budget information obtained from the central government is uncertain. The budget agreement is done by both the government and the legislative parties.

*"...what is happening now, 2019 yesterday, September 4, 2020, was the MoU, we quoted resignation following the agenda for our board members, we had to set the KUA PPAS 2020 on September 4 yesterday, what has been done, why is there no information on the DAU (General Allocation Fund)..." [Ashley, September 12, 2019]*

This condition makes budget allocations prioritize moral responsibilities that have been made through existing bonds. This condition makes handling poverty issues with budget support in the region unavailable. The team then relies more on optimizing poverty programs from the center rather than making regional innovations.

*"...so it is not our initiative, that is why we carry out what has been implemented (central) directed by the center to be better like that. Nevertheless, other than that, there is no focus on our innovation (innovation). Without that, we only implement existing programs for the regions, and there are no new programs. There are no local things that are local wisdom that we develop ourselves like in other areas. They want the regent to have quick wins to discuss poverty. we just implemented the central program, and it is already extraordinary, we are committed to running this..." [Julio, October 2, 2019]*

There are limitations in the regional budget set by the leadership and Legislature, making the planning and budgeting process for poverty experience a high wall. The team is pessimistic about budgeting poverty reduction but still seriously controls the remaining budget for poverty management.

*"...We will talk again, including re-talk about our hope to control poverty money. So our desk is a friend (seriously), there is no chance anymore after this. Because it is useless, today was blackmailed...."* [Ashley, September 12, 2019]

### 2. Difficulty in determining pro-poor budgeting

The informant explains how difficult it is to determine planning and budgeting for the pro-poor. Poverty reduction in the region has the team and has not functioned optimally. The team could be more optimal in carrying out its functions and coordinating with internal teams, especially during coordination meetings. Coordination meetings are also not well controlled and are conducted moderately.

*"I was told that in 2017 2018 2019 at the end of every year, there were two meetings (Team coordination meetings), the first was the presence of the old deputy governor (head of the team in the district) here, and the second was the new deputy governor (head of the team in the province) here. .. it was never present which I mentioned earlier, this is a real story ... Mr. Deputy Governor this year (2019) early.. maybe 2018 did not happen, it might represent 2018 but (also) was not present .. who was present, Mr. Head of Bappeda (district planning agency)...."* [Ashely, 12 September 2019].

The leadership is also not concerned with poverty issues, even though the supporting work unit can carry out the requested tasks primarily related to poverty reduction.

*".... So far, the leadership has lacked consent... why has it never been mapped because it has never asked for poverty data for so many years. If the leader asks for it, there must be (poverty data) for example, he asks for help to prepare Bappeda to prepare innovations for poverty alleviation. Even though every year (poverty reduction efforts) are asked by mas. who asks the Legislature for each LKPJ (performance district report) and discusses the APBD for poverty, what percentage of the budget? whatever you always ask for...."* [Ashley, September 12, 2019]

This condition caused the second-tier team to move to ensure the issue of poverty reduction in the region could run. The team is at the forefront of ensuring that the issue of poverty can be implemented in the region every year. Bappeda has a strategic function and is part of a team. Bappeda is a working unit of planners who manage regional budgeting each year. This condition makes Bappeda a bumper in the implementation of poverty reduction.

*"...Well, we are the ones who are being used as bumpers, we are obliged to be dragged down in the end, because we are used as bumpers, in the end, we also have to participate in coloring... various programs because our position is to link the easy way because Bappeda is the one who distributes the budget. Share with other work units...."* [Julio, October 2 2019]

Although the planning process is already in Bappeda, there are still obstacles, such as poor planning, still routine, and difficulty measuring achievements and goal setting, especially for propoor budgeting.



*"...Our difficulty is that when we discuss planning, we are still in the dark (conception), but now we have to look at the capabilities of our region. That is just our mindset, bro; their mindset is only serious when discussing planning programs when they have money. The financial capacity given to them, for example, planning is more honest, just a routine to more open and measurable allocations....."* [Julio, October 2, 2019]

In addition, the problem of the validity of poverty data needs to be ensured so that the planning becomes more following the target. In addition, Bappeda also needs help to evaluate all activities planned by the region. Bappeda has limitations on resources, time, and evaluation mechanisms. *"...our main problem is, what was the validity of the data, in my opinion, what should be done or what should be cleared first. Moreover, that is whose responsibility we did not know... However, I can also imagine Bappeda with so many activities, yes, thousands of activities... That is information like that, and maybe this should be what it means. I think there may be problems in finances, maybe it is, sir, especially that there are many data that are not right on target when there are program interventions from both the center and the regions...."* [Dave, October 22, 2019]

At the time of verification of poverty reduction activities, they still needed an incorrect budget. The poverty budget of the local budget through social assistance and grants is still not much for the poor.

*"...mostly, if the activities of funds like that are for prayer rooms and mosques, yes, but for those who care about (poor) community groups, I do not think the numbers are that many..."* [Dave, October 22, 2019]

We needed help implementing pro-poor activities, which are also challenging to measure.

Especially the time of monitoring and evaluation is different from the desired.

*"...which is no less important, monitoring and evaluation, often talking about monitoring and evaluation but not carrying out monitoring and evaluation, meaning at the location of people or the stunting location.. monitoring and evaluation should be part of the implementation and improvement efforts, knowing the disease can be effective...."* [Ashley, September 12, 2019]

### 3. Hope and opportunity for poverty reduction budgeting

Hope for poverty reduction still emerges from the PDF team. They describe pro-poor budgeting, what should be done, and what results are desired.

*"It does not look like it... is it not intense? Then it is just more of a coordination meeting. To what extent is the follow-up? Yes, indeed, there is only one thing left to do. If what, poverty alleviation, what kind of activities are there, right, because there are already existing activities. We mean that there is no such thing, bro; later, through more activities, it will produce the desired output...."* [Dave, October 22, 2019]

*"...my hope is that let us go there, so we know that apart from that, the soul will be able to.. not just working on the table.. if it is spacious, but maybe the touch is invisible because by looking at the field, definitely not only with performance evaluation but soul, sense of the atmosphere...."* [Ashley, September 12, 2019]

*"...Maybe if I think that is so-and-so, that is what it is like, Pak Jokowi (President of Indonesia) said that activities can be simultaneous... in the end, the ultimate goal is to overcome poverty, yes... For example, roads... but roads with cross-access to the poor. It is like that, for example.*

*If that is the case, we need more careful planning. Yes, activities that are not only physical but, hopefully, all activities are directed there directly. When we budget for one activity, we can hope that it will impact getting out of poverty...."*

[Dave, October 22, 2019]

Going forward, the informant explained the importance of team leadership in consolidating to other work units. The issue of poverty reduction needs to be specifically raised in the local government's annual plan document and will be tried to appear in the coming year.

*"...the RKPD (annual district planning) does not appear (okay), so it has not appeared yet, so we have not specifically raised it yet, but it is our wish that in 2021 we will introduce a program if our friends from the province think that sectoral programs are adjusted strategic issues such as increasing HDI (human development index) if now it has only written the strategy is written, but the locus of locus is not defined yet...."* [Ashley, September 12, 2019]

*"...The first option is following the regulations. If the vice-regent is right, he will encourage him. Monitoring and evaluation but not carried out Monitoring and evaluation mean at the location of the person or the location.."* [Ashley, September 12, 2019]

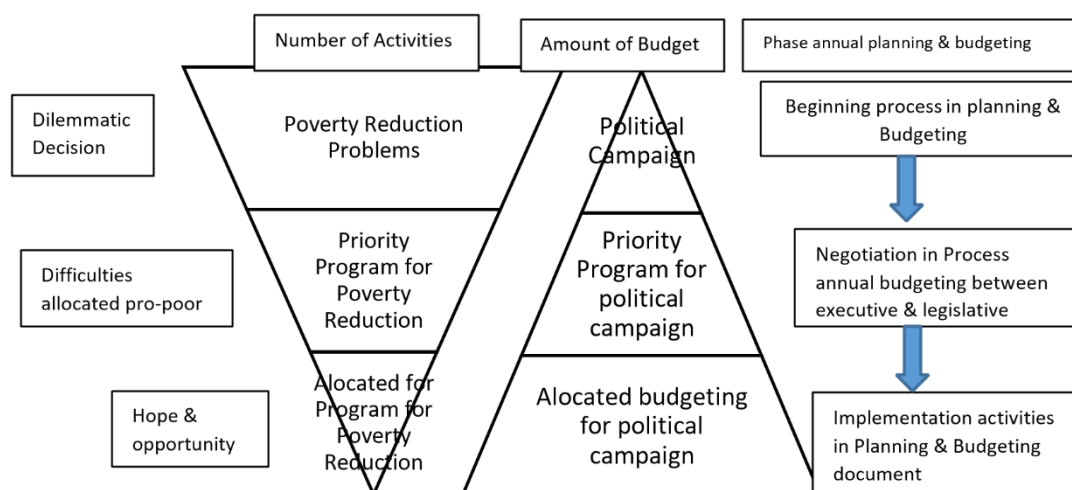
The informant also conveyed the importance of improvement and poverty data and maps. Data improvement measures will make the content of poverty budgeting become clear the interventions needed.

*"...the first thing is that the data must be valid. The second is to make a map of which poverty should be intervened. What kind of intervention should be done now, right?"* [Julio, October 2, 2019]

The findings of this study are formulated in the picture below, which describes the process of regional unemployment and how the team carries out poverty reduction budgeting in the area. This image also describes the potential risks faced by the team during the regional budgeting process. These findings answer the study's goal of identifying risk conditions in poverty reduction budgeting that hinder teams each year. The three main themes identified in this study explain the risk conditions that make teams experience obstacles in pro-poor budgeting. The risks faced by this team will impact the organization's performance (Lark, 2015). Budget constraints limit targets for poverty reduction through activities in the region. Only activities that achieve team performance can be achieved.

The team seeks to control regional poverty through budget allocations that are following with the necessary interventions. However, the team faces various risks at the time of budgeting. In addition and standard risk management has not been running. Risk management in the public sector, especially in government, is complicated. Dobrea & Ene (2006) said government institutions have complex bureaucratic conditions, and large organizations make risk management difficult. In addition, the levels and various risks arising from various daily activities in their government are very large. The government prioritizes primary responsibility as an authority to reassure the public that there is no current risk that impacts the public.

Figure 1: District Budgeting Process and risk potential for pro-poor budgeting



The team at the time was faced with the choice of budget fulfillment for the pro-poor and budget fulfillment to fulfill the campaign promise of the regional head. The elected regional head must realize his campaign promise as a moral responsibility to his constituents. However, this campaign promise is a little but requires a considerable budget. The poverty budget also requires a considerable budget. Both of these things cannot be realized simultaneously. There needs to be a priority on one of these interests, which poses a risk to all parties outside the budget. This condition raises the need for risk management and regulation to achieve the desired objectives (Leung 1996).

The main objective maintained by the government and regional heads is accountability to the public. The main difference between the private and public sectors lies in the responsibility and accountability of managers or managers (Chong 1996). The head of the district, as the region's highest manager, prioritizes his moral responsibility as a form of accountability to the public that he needs to realize political promises.

The political promise of the regional head is already recorded in the official regional documents and must be realized. The realization of this political promise is the provision of good budgeting so that this political promise can be realized in his tenure. Fernández-Muñiz et al., (2014) mentions the budget not only as an instrument of public finance but also as an arena for expressing political interests. The budgeting process is one of the effective ways of influencing the subjective allocation of resources (Pfeffer & Salancik, 2003).

If government agencies achieve many of the same goals, this institution may need help to achieve focus (Posner and Stanton 2014). The political risks in budgeting make each party set strategies or tactics to produce an expected budget (Collins, 2006). In addition, the regional head has harmonized interests with the Legislature in determining the budget to realize his political promises. This situation makes poverty alleviation activities less of a priority. The team that has prepared a poverty reduction policy cannot be optimally realized. The team relies solely on central and provincial poverty programs. This step is carried out to keep the goal of poverty reduction still carried out even if it does not use the region's budget.

The impact of the allocation of poverty budgets that are not available makes team managers unable to bring about innovation. Mikes (2009) conveys the emergence of a calculative culture in risk control due to the response of the power cycle. This calculative culture gave rise to enthusiastic quantitative attitudes and quantitative skepticism. As for the second layer of the team, they continue to carry out their duties enthusiastically because it has become their primary task, and they are official officers in the government. Because it is not from the government, the leadership is skeptical about running poverty reduction programs. This team member has an official duty and is attached to the work unit in the government, which makes team members can still control poverty reduction programs according to their authority.

Efforts to budget pro-poor in the area have difficulties faced by the team. The team faces the risks of processing and content in poverty budgeting. In contrast to the findings Collier & Berry (2002), there are risks in the budgeting process that could lead to budget gaps. The risk that arises in budgeting poverty before it brings up the budget gap is the difficulty in the contents of the budget. Filling the budget raises difficulties in determining poverty reduction targets and monitoring the implementation and evaluation of poor performance. Kenis (1979) states that the clarity of targets, accuracy, and accuracy of estimation become characteristics of budget quality. For the quality of the poverty budget to be formed, the team conducts a topdown budgeting process for other work units. Other work units are more responsive to poverty reduction if the information related to the budget is clear. To improve the risks in the budgeting process and determination of the contents of the budget. Determination of the budget's contents is seen in the form of programs and activities, motivation, leadership, commitment to poverty reduction, and clarity of targets. The quality of poverty budgeting can be encouraged by regional leadership for poverty reduction.

## CONCLUSION

The Team is one of the efforts of the Indonesian government in the region to reduce poverty in their respective regions. The Team has been formed in various regions and is expected to be tasked to assist the Indonesian government in reducing poverty. It is just that the Team that has been formed facing various problems to encourage poverty-based budgeting can be optimal and cannot reduce the poverty rate (Azahra, 2016). The Team faced many risks in mainstreaming poverty based budgeting. The existence of political risks in poverty-based budgeting makes poverty-based budgeting more straightforward to implement and qualify for. The Team faces a budgeting dilemma with the interests of moral responsibility for the political promises of regional heads to be fulfilled. The priority of realizing the political promise of regional heads as a form of accountability to constituents and become a fight for the Team in making poverty-based budgeting. At the same time, the risks of the process and content of the budget make the quality of poverty budgeting below.

Risk management in the public sector still aims to realize accountability to be an essential point to see which way the goal of public organizations achieves their goals (Palermo 2014). Accountability driven by political interests will make budgeting in the public sector towards political goals and interests. This condition makes mainstreaming poverty-based budgets a second choice, and the Team needs help to achieve its goals. Following Collins's opinion, (2006) made the Team need to

set strategies or tactics to get the expected budget. Subsequent studies need to be expanded to teams at various levels, especially at provincial and city levels, to generalize these findings.

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