

## CHAPTER 1

### INTRODUCTION

#### A. Background of the Research

Principles that base local financial management especially in education are transparency, accountability and value for money (Mardiasmo, 2004 : p.105). Accountability and transparency are two components that support and complete to each other. Accountability is public responsibility principle which means that budgeting process from planning, preparation, and implementation must be reported and accounted to regional parliaments (DPRD) and society. Society doesn't only have rights to know about those budget but also they have the rights to ask for accountability of the plan or implementation of the budget. Transparency means that society members have similar rights and access to know budget process because it concerns with society aspiration, especially with the fulfillment of society life need. While value for money means the application of three principles in budget process namely economy, efficiency and effectiveness.

For the creation of the use of education budgets in accordance with procedures and in order to create transparency and accountability in financial management, then it is issued various guidelines of education management that aims to provide clear rules about what and how the standard of education should be given to the education organizer. Rules on school financial reporting

must affirm transparency on financial education management to the government (vertical accountability) and to society (horizontal accountability).

Deals with the importance of transparency and accountability in financial management, the government issued Undang-undang No. 32 Year 2004 about Local Government, Undang-undang No.33 Year 2004 about Financial Balance between Central and Local Government and Undang-undang No.105 Year 2006 about local finance and financial accountability.

It is also described in the laws and government regulations, The Interior Minister issued Permendagri No. 13 Year 2006 about Guidelines for the Regional Financial Management, as amended by The Minister of Interior Regulation No. 59 Year 2007 concerning Amendments to The Minister of the Interior Regulation No. 13 Year 2006 about Guidelines of Financial Management, as well as The Minister of the Interior Regulation No. 13 Year 2006 requires reform of the financial system for the management of public money (public money) and government money are managed transparently by basing concepts value for money in order to create accountability. Essentially all regulation wants transparency and accountability in local financial management.

School finance covers a variety of sources including APBN (state revenue and expenditure budget), APBD (local revenue and expenditure budgets), society funds and other private donors. One source of funding for the school comes from APBN was School Operational Assistance . School Operational Assistance is one of the educational programs that provide assistance to schools with the goal of

free education for students who can not afford, and ease the burden for the other students in order to support the achievement of Compulsory Nine-Year Primary Education Program. Through this program, the central government provided funds to schools in elementary and junior high school level to help reduce the burden of education costs to be paid by the parents. School Operational Assistance was given to the schools to be managed in accordance with the provisions set out the central government. The amount of funds allocated to each school is based on the number of students.

For the sake of transparency and accountability in School Operational Assistance management, the Ministry of National Education had compiled a Financial Technical Guidance in the form of National Education Minister Regulation no. 37 dated 22 December 2010. This technical guide is a reference for the implementation of the program so that the managers of the School Operational Assistance team at all levels can fulfill their duties with ease. Thus performing the functions of the School Operational Assistance Management Team can be run well.

Accountability and transparency of School Operational Assistance financial management are influenced by financial management system that is conducted by school. It includes system and procedure of budgeting, administration, and accounting report. The success of the system is determined by human resources and technical power that is information technology which run the system. Therefore human resources factor and information technology

have main role in creating accountability and transparency in financial management.

But policy of School Operational Assistance fund does not mean the cessation of education issues, new problems arise related to the diversion of School Operational Assistance funds, and the power of new problems, besides that personal and Indonesian human culture also affected corruption and ineffectiveness of School Operational Assistance management. Therefore it is required the cooperation of all the elements in realizing the effectiveness of School Operational Assistance management .

In fact, many School Operational Assistance managements which do not actualize transparency and accountability. Fraudulent practices are easily caught by the inspector agency, like auditing firm (BPK) or financial regulatory agency and development. It is like hunting at the zoo, BPK easily shoot and capture prey. BPK easily find diversion of BOS funds at school.

BPK representative in Jakarta, for example, found indications of diversion of management of school funds, especially School Operational Assistance in 2007-2009, as much as 5, 7 billion rupiahs in seven schools in Jakarta. Those schools are proved to manipulate the warrant (SPJ) with fictitious receipts and other fraud in the SPJ. BPK audit based on School Operational Assistance management in fiscal year 2007 and the first half of 2008 on a sample of 3237 schools in 33 provinces, it is found deviations of School Operational Assistance approximately 28 billion rupiahs. Deviations occur in 2054 or 63.4 percent of the

total sample of schools. The average deviation of each school reach 13, 6 million rupiahs. Deviation of BOS fund revealed in forms of transportation assistance to foreign countries, the cost of PGRI donations and incentives for civil servant teachers.

In research studies evaluating the cost of education, it is explained that much education funding is not included in the budget and APBS which exists only as a mere formality and incorporate transparency and accountability in financial management and participation in education funding as an explanatory efficiency variable (Surpriyadi, 2010: 67). The results showed a large number of financial budgets in elementary school, junior high school, senior high school does not include income from the government budget, students' families and communities. The budget is not included in the RAPBS then the resulting level of transparency and accountability in financial management is not created.

There are many numbers and misuse of government funds especially School Operational Assistance in junior high schools, so that the author is interested in doing research on transparency and accountability in School Operational Assistance management of junior high school level, especially at State Owned Junior High School 1 Bobotsari Kabupaten Purbalingga.

In preliminary study conducted by the author, State Owned Junior High School 1 Bobotsari, Purbalingga manages government funds (School Operational Assistance, Routine budget, escort School Operational Assistance) and fund from student families. Considering the amount of funds managed by the school, the

transparency and accountability are important issues including factors that become obstacles to make it happen. Therefore, it is necessary to study transparency and accountability in the financial management of State Owned Junior High School 1 Bobotsari, Purbalingga. Further, assessment titles of accountability and transparency in School Operational Assistance management of State Owned Junior High School 1 Bobotsari is "Transparency and Accountability of School Operational Assistance Management" (Site Study at State Owned Junior High School 1 Bobotsari, Purbalingga).

## **B. Focus and Subfocus of the Research**

### **1. Focus of the Research**

“How are Transparency and Accountability of School Operational Assistance Management at State Owned Junior High School 1 Bobotsari, Purbalingga?”

### **2. Subfocus of the Research**

- a. How are transparency and accountability of income and expenditure Planning of school budget of School Operational Assistance at State Owned Junior High School 1 Bobotsari, Purbalingga?
- b. How are transparency and accountability of School Operational Assistance budget realization at State Owned Junior High School 1 Bobotsari, Purbalingga?

- c. How are transparency and accountability of School Operational Assistance Reporting at State Owned Junior High School 1 Bobotsari, Purbalingga?

**C. Aims of the Research**

The research are aimed to describe :

- a. transparency and accountability of income and expenditure planning of school budget of School Operational Assistance at State Owned Junior High School 1 Bobotsari, Purbalingga
- b. transparency and accountability of School Operational Assistance budget realization at State Owned Junior High School 1 Bobotsari, Purbalingga
- c. transparency and accountability of School Operational Assistance budget reporting at State Owned Junior High School 1 Bobotsari, Purbalingga

**D. Benefits of the Research**

Benefits derived from this site study are :

1. For the schools studied, the research results can be used as a management evaluation of the School Operational Assistance so improvements can be done either in the planning, realization and reporting of School Operational Assistance management to improve the quality of School Operational Assistance management in order to create transparency and accountability.

2. For educational affairs management officer in Purbalingga, the research results can be used to evaluate policy in the field of financial management particularly School Operational Assistance in the school.
3. For academic world, this study can build up and expand issues that can be studied in the perspective of government accounting.

#### **E. Glossary**

1. Transparency : openness and transparency of all actions taken by the government (Muhammad : 2007).
2. Accountability : usage of school fees that can be accounted according to plan and regulations set.
3. Management : a series of work or activity performed by a group of people to carry out work in order to achieve certain goals.
4. School Operational Assistance : government programs such as aid to schools with the goal of free education for students who can not afford, and ease the burden for the other students in order to support the achievement of the Nine-Year Compulsory Education Program.



